

Labour moderates prepare to launch new party

Labour dissidents are to set up a "Council for Social Democracy", intended to rally support for the launching later this year of a new left-of-centre party. Announcing this yesterday Mrs Shirley

Williams, Mr Roy Jenkins, Mr William Rodgers and Dr David Owen stopped just short of a breakaway, but said the need for a realignment in British politics now had to be faced.

Mr Jenkins joins 'gang of three'

By Fred Emery
Political Editor

A "Council for Social Democracy", intended to rally support for the launching later this year of a new left-of-centre party, is to be set up by Mrs Shirley Williams, Mr Roy Jenkins, Mr William Rodgers and Dr David Owen. The four former Labour Cabinet ministers stopped just short of forming a breakaway party, for which they and their supporters are not yet organized. However, in reaction to the left-wing victory at Labour's conference on Saturday which gave the trade union block vote the largest say in future elections of the party, the "gang of four" issued a long statement asserting that "the need for a realignment in British politics must now be faced".

It acknowledged "deeply painful" choices ahead for life-long Labour supporters. A "first list" of supporters, drawn from people outside politics as well as disaffected Labour members, is to be announced soon, possibly within the next week. However, a surprise supporter of the new statement was Mr Richard Cawthra, Labour MP for Liverpool, Toxteth, and Deputy Speaker in the Commons. He was quoted as saying that he would decide in the next few weeks whether to leave the Labour Party.

Eleven Labour MPs are expected to come out in support, and they are to meet at Westminster today to consider forming a new social democratic group within the Parliamentary Labour Party. Four of them called yesterday at Dr Owen's home in Limehouse, east London, after the "gang of four" meeting. They were Mr Ian Wrigglesworth (Ipswich, Thornaby), Mr John Roper (Farnworth), Mr Mike Thomas (Newcastle-upon-Tyne, East), and Mr Robert MacLennan (Canterbury and Sutherland).

In the first statement in which Mr Jenkins has joined

formally with his former colleagues since returning from his European Commission post, the emphasis was on seeking a new centre for Britain with "more, not less radical change... but with greater stability in direction". The council appealed to all committed to the values, principles and policies of social democracy, people who "believed the country cannot be saved without changing the sterile and rigid framework into which the British political system had fallen".

Repudiating the idea of a centre party, the statement said: "We do not believe in the politics of an inert centre merely representing the lowest common denominator between two extremes." Without mentioning the Liberal Party— with which Mr Williams yesterday agreed they would have to work in alliance—the statement contains some Liberal ideas.

But those, including some Liberals, who are impatient for the Labour dissidents to make a definite break will have to wait. All four signatories remain in the Labour Party, probably until May or June after the local government elections and certainly until they have organized the launching of a new party.

There remains the outside possibility that they could be restrained were there any real sign of a right-wing Labour's moderate ranks. But the clear intention yesterday was to take the social democrats to the very brink. To have gone further at this point would have courted outright expulsion from the Labour Party and meant resigning the Labour whip in the Commons.

Those involved say that when they are ready, those steps will be taken.

The social democratic statement rounded off a dismal weekend for Mr Michael Foot, the conference's rejection of the option of retaining for MPs 50 per cent of the vote for life, which he had supported, clearly shattered Mr Foot.

But he was not the only one rebuffed. So were his moderate supporters in the Shadow Cabinet, in the parliamentary party, and in the unions. Mr David Baskett, general secretary of the General and Municipal Workers Union, was for the second successive conference, left holding the baby while his supposed allies in the Trade Unions for Labour Victory organization either defected or milled about in disarray.

The party has now amended its constitution to have its leader chosen annually at the party conference by an electoral college in which 40 per cent is granted to the trade union block vote and 30 per cent each to the party's MPs and to the constituency parties.

In effect, the critics say, a Labour prime minister will now be beholden to the trade unions, and know that he dare not take them on.

Any electoral college using the block vote would have had this effect. But the difference in the MPs' final share was 20 per cent less than Mr Foot proposed, and he has chosen not even to speak in the debate.

While the left manoeuvred, the moderates stared blankly. The irony was that two right-wing unions, the engineers and the shopworkers, controlled by default to the left's triumph in the usual Byzantine fashion.

Mason response: A rallying call to the "authentic" working class members of the party came last night from Mr Roy Mason, opposition spokesman on agriculture (Ronald Kerhwa writes from Barnsley). He called on all MPs and party members to "stand with us, not against us".

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Suspended death sentence on Jiang Qing

From David Bonavia
Peking, Jan 25

Jiang Qing, widow of Mao Tse-tung, was today forcibly handcuffed and removed from the courtroom when she shouted protests against the suspended death sentence passed on her.

Under Chinese law, she will be imprisoned for two years, and may then be executed if she were to show no signs of "repentance". However, it is widely assumed that the effect of the sentence will be life-long imprisonment.

Suspended sentence of death was also passed on Zhang Chunqiao, formerly one of the most influential people in the Chinese leadership, who refused to utter a single word during the trial.

Jiang Qing looked nervous and subdued as the presiding judge pronounced her guilty before passing sentence.

The 10 accused have been convicted of a variety of serious crimes, including conspiracy to commit treason, and oppression of thousands of political enemies.

At previous hearings, Jiang Qing had challenged the court to sentence her to death and even accuse her in public. She began protesting in a loud voice when the sentence of death was read out. Male guards immediately manacled her and escorted her out of the courtroom, while the other defendants stood up to await sentence.

Zhang Chunqiao was also handcuffed on pronouncement of the sentence, but offered no further defence.

Wang Hongwen, aged 44, the former party vice-chairman whom Mao promoted nominally to third place in the leadership, was sentenced to life imprisonment.

Such a move has been widely expected because of his alleged role in organizing an attempted coup in Shanghai in 1976.

Yao Wenyuan, the former leftist journalist and propagandist, was sentenced to 20 years imprisonment. Mr Chen, Bodu,



Jiang Qing, manacled in court yesterday, after being sentenced to death with a two-year suspension.

Mao's former private secretary, was jailed for 18 years.

Buang Yongsheng, former chief of staff of the armed forces, was sentenced to 18 years imprisonment.

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Wu Faxian, former commander of the Air Force, was sentenced to 17 years, minus time spent in custody.

The judge applied to 11 Zhang Peng, former political commissar of the Navy, Qiu Huifeng, former director of the armed forces rear services department, was jailed for 15 years, while Jiang Tengxiu, a senior Air Force officer, received 15 years.

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Continued on page 5, col 1

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Continued on page 5, col 1

£1,200m aid for BL is expected to go ahead

By Edward Townsend

Sir Keith Joseph, Secretary of State for Industry, is expected to announce today that the Government will back the four-year, £1,200m corporate investment plan for the British Leyland group.

Opinion in Whitehall is that without further sizable state aid, BL would be forced to consider a radical restructuring of its operations to an extent that would throw out of work tens of thousands of people in the company and its supplier firms, and that ministers had no choice but to continue to support Sir Michael Edwards, the BL chairman, in his recovery plan.

Despite the strict conditions, formulated by the Department of Industry, Sir Keith will face strong opposition from some Conservative backbenchers. Mr Michael Geyl, chairman of the Conservative Industry Committee, has already said that in his view the state-owned company should be split and the most profitable parts sold to the private sector.

Labour MPs are certain to use the occasion to accuse Sir Keith of performing a "U-turn" in the Government's industrial policy.

Sir Keith is expected to announce that in order to maintain a high level of BL's financial performance, productivity and labour relations, the

company will be transferred from the portfolio of the National Enterprise Board and come under the direct control of the Department of Industry.

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Ministers to meet today over 'Times'

By Our Political Editor

A decision on whether to refer Mr Rupert Murdoch's proposed acquisition of the Times newspaper to the Monopolies and Mergers Commission is expected to be taken today by ministers meeting under the chairmanship of Mrs Margaret Thatcher.

There was no indication last night, when the decision might go ahead, whether the Cabinet, involved in the meeting, and ministers believed to be divided on the issue, it is clear that it is not being left solely to the Prime Minister and Sir John Birt, Secretary of State for Trade.

The Opposition is to go ahead today in preparing a reference to the commission with an application to the Speaker for an emergency Commons debate.

Mr John Smith, former Secretary of State for Trade, now Opposition spokesman on trade, who will make the application in the Commons this afternoon, insists that it is possible to get a speedy report from the commission.

The Secretary of State said: "Look, please get on with it, and they do it," he said yesterday.

Of the written undertakings on editorial quality and independence already given by Mr Murdoch, Mr Smith maintained that assurances formally given to the commission "are more bankable than any assurances to a former owner; they are better than any given to an interested party."

Mr Murdoch has objected to the commission's decision to go ahead, that it will take too long.

Printing-union leaders have also objected to any reference to the commission, and have urged Mr Murdoch to withdraw his application.

Mr Murdoch has asked him to cease pressing for it.

NUJ decision, page 2

Helicopter jailbreak fails

New York, Jan 25—A man and a woman hijacked a helicopter from a rooftop today and flew it to the roof of a federal prison in New York.

The helicopter was shot down by police after a failed attempt to land on the roof of the prison.

About 20 prisoners barricaded the eleventh floor of the 12-storey building and took

over a rooftop recreational area for about three hours before surrendering peacefully.

There were no injuries and no prisoners escaped, the police said. Prison guards recovered at least two weapons and took the prisoners to the jail.

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Hostages arrive home to meet families and cheering crowds

From Michael Leaman
Newburgh, New York, Jan 25

The 52 former hostages in Iran had their first glimpse for 14 months of a crisp and sunny America as they arrived home this afternoon.

They stepped from the white Boeing 707 which brought them from West Germany and embraced members of their families waiting on the tarmac of Stewart Airport here.

The small crowds who had gathered on allsides around the airport cheered and waved flags as the aircraft taxied to a halt at almost exactly 3 pm local time.

The emotional reunions between the former prisoners and their families took place outside a convalescent hospital, although the men must have seemed weary to them.

Reporters and members of the public waited outside the hospital, but were kept back by police to ensure privacy at the moment of reunion.

As they were driven away from the airport, more than 100 cars, many with American flags, lined the route to the West Point military academy. There they are to stay for two days, reunited with their families before their official welcome by President Reagan in Washington on Tuesday.

The families arrived in Washington yesterday and met the President today before flying to Newburgh for the reunion.

At West Point the reunited families are staying at the Thayer Hotel, a public hotel inside the academy grounds, from which other guests were removed to make room for them.

To say that the former hostages are receiving a heroes' welcome is an understatement. The surge of relief that Americans feel at the end of this long-running assault on their country is being translated into an effusive exhibition of joy and greeting beyond all restraint.

Television stations are inserting messages of welcome into their schedules between advertisement breaks, and many are displaying similar slogans even in cities which no hostage is likely to visit.

"They are heroes," one woman said speaking for many. "They went through it all and did not break down or give in."

Maitreatment reports, page 5

Mr Atkins asked not to attend Ulster funeral

From Craig Semm
Belfast

Mr Humphrey Atkins, Secretary of State for Northern Ireland, was asked yesterday by Sir Norman Stronge and his son James, murdered by the IRA last Wednesday, to attend the funeral of the young man.

It had been made plain to him by friends of the family that he would not be welcome because of government policy on border security.

More than 2,000 people lined the route of the funeral procession through the village of Tully, in Co. Armagh, to witness the burning of the IRA's headquarters, destroyed by the IRA gang who shot Sir Norman, aged 46, and his son James, aged 48, in the raid close to the Republic's border.

It was one of the biggest funerals in the province for many years and security was tight.

The Northern Ireland Office said Mr Atkins was much regretted he had to decline and not go.

Sir Michael Armstrong, an Official Unionist who was secretary to Sir Norman when he was Lord Lieutenant of Armagh, was reported to have said that Mr Atkins would be unwelcome because of the Government's policy on border security.

The Queen, who was represented by Lord Glenamara, sent a telegram expressing his shock at the double killing.

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The new "gang of four": Mr Rodgers, Mrs Williams, Mr Jenkins and Dr Owen yesterday.

Campaign to reverse Wembley vote

By Paul Routledge
Labour Editor

Moderate union leaders, dismayed at being given too much power over the choice of Labour Party leader, are preparing a political campaign to overturn the result of the Wembley special conference.

The challenge will take the form of a constitutional amendment to be tabled for the October annual conference in Brighton and designed to give Labour MPs half the vote in the party's electoral college instead of the 30 per cent decided on Saturday.

Mr David Barnett, chairman of the Trade Unions for Labour

Victory organization, said last night: "I have no doubt that a union will follow Michael Foot's invitation to put down a motion in the autumn to obtain a different basis for the electoral college".

The General and Municipal Workers Union, of which he is general secretary, put down the compromise formula most favoured by Mr Foot, giving MPs half the college votes. But it failed at the final hurdle by 51,000 votes because of tactical voting by the Transport and General Workers' Union and the National Union of Public Employees.

It seems certain that some

unions originally supporting such a distribution of power will respond to the cue offered by the party leader in his closing speech that "everybody has a right to come back". Mr Foot told delegates: "Confidence is not infallible."

Mr Barnett said: "I think the decision of the conference was wrong and a number of people will be seeking to put it right". The moderates think they are free to submit such a constitutional amendment although there is ambiguity about the three-year rule which forbids returning to an issue of such significance within that

Continued on page 4, col 5

Solidarity calls one-hour general strike

A one-hour general strike in support of private farmers is being planned by the Polish-free trade union organization Solidarity on February 3. The Polish Government said it was confident that the strike would be resolved and that further negotiations would take place. Solidarity, too, said it hoped there would be negotiations. Millions of Poles stayed at home on Saturday, following Solidarity's call for a five-day, 40-hour working week. Page 6

11 arrests during Cardiff march

Eleven people were arrested and two policemen were slightly injured when Anti-Nazi League members tried to stop a National Front march in Cardiff. The front was demonstrating against a march by Provisional Sinn Féin, which passed without incident elsewhere in the city. Page 2

Nalco poll move

The executive of the National and Local Government Officers Association (NALGO) intends to oppose a move that the general secretary should be directly elected by the membership. Under the present system the general secretary and other full-time senior officials are appointed by the executive. Page 2

El Salvador arms

American arms are pouring into El Salvador after the resumption of aid. The catalyst that has transformed United States policy is foreign intervention. The leftist forces in the country have been receiving large quantities of sophisticated arms from communist countries. Page 6

Bacon and butter prices rise

Today's rise in the Government-backed EEC tax on food means the price of bacon will rise by nearly 7p a pound and that of butter by 13p a pound this week. The Government's failure to reduce the "penny pound" meant that butter was overpriced, a British businessman said. Grocery suppliers are worried that the Government is depressing sales by making food too expensive. Page 3

Navy guards oil rig

A Royal Navy patrol vessel is guarding an oil platform in the North Sea after reports that trawlers, believed to be French, had endangered the rig by sailing within 100ft of it. The offending boats had their names and identification marks blacked out, the oilfield operators said. Page 3

Earthquake toll 150

More than 150 people died and at least 300 were injured in an earthquake in a remote area of southwestern China. It registered 6.9 on the Richter scale and its epicentre was 175 miles west of Chengdu, capital of Sichuan province. Page 6

M Mitterrand enters presidential race

An extraordinary congress of the French Socialist Party elected M François Mitterrand as the party's candidate for the presidential elections in April. He was elected by more than 83 per cent of the 600 delegates to the congress at Caen, east of Paris. Page 4

Island plan: The National Union of Seamen will consider today whether to accept a plan to strike action 2

Shop agents: W. H. Smith's gift store is to close because of "excessive airport charges". Page 3

Spain: King Juan Carlos and Queen Sophia are to make an official visit to the troubled Basque region next month

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HOME NEWS

Nalco executive opposes election of full-time officials by membership as undemocratic

By Donald MacIntyre

The executive of the National and Local Government Officers Association (NALGO) is to oppose the election of its general secretary by the whole membership as "fundamentally undemocratic".

The summer policy conference of Nalco, Britain's fourth biggest union, will be recommended to continue appointment of the general secretary and other senior full-time officials by the executive.

Last year's conference demanded an interim study of a proposal that the general secretary should be directly elected by the membership every five years.

Although Nalco is the largest union in the TUC in which the general secretary is not directly elected at least once, a report prepared for the conference argues that the power base in the union would be altered drastically if the present system were changed.

The lay executive of Nalco is elected annually by the union's 750,000 members in polls traditionally of 50 per cent or more. The report rejects the argument that under the present

system the general secretary would be "chosen by an elite group of council members and that the successful candidate would be one who kept his nose clean and had the right contacts".

The paper points out that appointment of the general secretary, who at present is Mr Geoffrey Drain, a senior member of the TUC General Council, by the executive is in line with other public service unions, and "has its origins in the clear distinction that exists in public services between lay policy makers and their officials".

If there was a change to periodic election power would be concentrated in the hands of a single individual who being a full-time and elected every five years would be exceptionally difficult to overrule and would probably come to dominate Nalco.

The paper says that it is clear from the history of unions such as the Transport and General Workers' Union and the Electrical, Electronic, Telecommunications, and Plumbing Union "that immense authority can be accumulated, and exercised, by an elected general secretary".

While an election would allow the membership to choose a general secretary on the basis of a political stance, they would be in no position to assess the personal abilities of the candidates. The present system provided for assessment by "modern personal methods" on such basic matters as health, character and performance in other jobs.

The paper adds: "The image of the old fashioned trade union boss is an increasingly unattractive one across the political spectrum and it would be ill conceived of Nalco to turn the clock back in this way."

Besides throwing an interesting spotlight on the political argument about union democracy, the report, now likely to be accepted as policy by the union, will bear directly on the method of appointing the successor to Mr Drain, who is due to retire late in 1983.

In the meantime Nalco's executive agreed at the weekend, in accordance with practice, to form a special committee to appoint a successor to Mr William Rankin, the union's deputy general secretary, who retires next year.

Government likely to reject shorter working hours for civil servants

By Our Labour Staff

The Government is expected to reject a claim by the Civil Service Unions for shorter working hours as negotiations on introducing new technology in Whitehall reach a critical stage.

Last year the Government said that it might have to impose new computerized information systems and advanced office techniques if it could not reach an agreement. It is to hold two meetings with civil service union leaders in the next few days.

On Thursday the unions expect a response from Civil Service Department officials to their claim for a reduction of the Whitehall working week from 37 to 35 hours. The unions, representing 500,000 white collar civil servants, have linked the claim to the proposed introduction of computerized systems, partly in an attempt to force the Government to agree to a shorter week.

Union officials, who are not optimistic of any big concessions from the Government in the present economic climate, say that they are now Mr Barrow Hayhoe, Minister of State for the Civil Service, partly to press their case for a share of the benefits of new technology.

In the event of a breakdown, the Government would be likely to try to reach agreement on introducing specific projects with union officials at departmental level before considering whether to introduce new projects without an agreement.

The unions are expected, if agreement is not reached, to form a committee put to union conferences in the late spring a strategy for resisting piecemeal use of new technology without a national agreement. They are expected to use the shorter week claim as a rallying point.

The unions are still formally committed to policy of non-cooperation with new technology unless an agreement containing job safeguards can be reached.

Two important medium-term projects with which the Government will be anxious to proceed soon are the Inland Revenue's £150m PAYE computerized assessment system, to be phased in during the next eight years with an eventual reduction of about 9,000 jobs and Camels (Computerization and Mechanization of Local Office Tasks). That is a wide ranging Department of Health and Social Security project which will allow instant assessment and payments of short-term social security benefits.

The Government has said already that it cannot give guarantees against an overall loss of jobs because of new technology. It has indicated that it might be prepared to consider some form of pledge against compulsory redundancies, but only if the unions reach agreement on other points.

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Seamen asked to exempt bananas

By Our Labour Staff

The disputes committee of the National Union of Seamen will consider today whether to exempt banana shipments from the West Indian Island of St Vincent from its strike action.

Mr Vincent Beache, the island's Minister of Agriculture, sent a telegram to the union asking it to exempt banana vessels operated by Geest Produce from the strike "on humanitarian grounds".

The economy of the island, which is still recovering from a volcanic eruption in 1979 and the damage caused to its banana plantations by a hurricane six months ago is dependent on its banana trade.

So far the union has declined to exempt the St Vincent traffic, although it acceded to a similar request earlier in the month from the government of St Lucia. One vessel due to sail to St Vincent to take on board 1,000 tonnes of bananas has been halted by the dispute at Barry, South Wales.

A senior union official said last night that Mr Beache's telegram would be considered sympathetically by the committee today. He added: "We are studying ways of helping St Vincent without commercial advantage to the company."

The island is struggling to recover and that it relies heavily on Geest vessels to bring in essential supplies and to export bananas and other crops.

It adds: "If boats are delayed by industrial action, the hardships of this small nation will be immeasurably increased."

The union disclosed that two container vessels operated by British Rail between Harwich and Holland would be stopped for 24 hours from midnight last night.

Cross-Channel ferries operated by Townsend Thoresen, one of the companies refusing to pay striking seamen, were stopped yesterday.

The company's services to and from Southampton were stopped in the middle of last week.

A member of the union's disputes committee in London declined to confirm reports last night that there will be another 24-hour stoppage starting in the next 36 hours affecting other sailings from Southampton, Portsmouth and Weymouth.

Material from the General Council of British Shipping radioed to ships and sent to regional offices for delivery to seamen on shore said that the 12 per cent offer rejected by the union would raise earnings for foreign-going seamen by £15 to £140 a week and urged them to "let your executive know what you think".

The union sent a letter to 70 companies complaining that they "may not have received accurate information" from the council about the negotiations. The letter said that the union had been at pains to be flexible over its claim for overtime pay.

Increase in liver disease from alcohol

By Nicholas Timmins

Further evidence of the increase in liver disease from rising alcohol consumption has come from an 18-year study.

The Government is expected to publish soon a discussion document on alcoholism that will include the possibility of increasing the price of drink to reduce demand. The Birmingham study shows a four-fold increase in cirrhosis of the liver caused by alcohol between 1959 and 1976.

In all, 512 patients with cirrhosis were found in the study, based at Dudley Road Hospital, Birmingham. The proportion attributed to drink rose from one third in the first six years of the study to two thirds in the last six years.

In the later years, more cases of people aged under 40, particularly among women, were found.

The study, published in the *British Medical Journal*, says that only abstinence improved a patient's chance of survival.

Nuclear industry's economic decline 'could encourage spread of weapons'

By Pearce Wright

The danger of atomic energy programmes leading to proliferation of nuclear weapons is the most important aspect of the nuclear industry's decline, according to a group of 35 eminent industrialists, politicians and academics from the EEC, America and Japan.

They say that the over-capacity in the nuclear construction industry in Europe and America, which are almost facing bankruptcy, is an inducement to export efforts that might lead to a proliferation.

The rules of the London Suppliers Club, which is intended to prevent the supply of fuel, reactors and other strategic items on the "trigger" list of materials and equipment needed for developing weapons, are not always observed, according to the experts. A memorandum of their meeting at the Ditchley Foundation, near Oxford, says that the spread of technology for extracting plutonium from waste fuel and of

uranium enrichment has to be avoided. Even so, industrialized countries can only delay proliferation, not prevent it.

That is the main conclusion of their review of safety, future development and alternative strategies for nuclear energy. The environmental lobby is said to have curbed the nuclear programme so much that the number of new orders for nuclear power stations in the world is at its lowest since the early 1960s. In the United States last year there were no new orders and 13 cancellations; in the past three years the countries supplying nuclear stations received 36 orders and 48 cancellations.

On that performance, the nuclear industry was facing bankruptcy. Only in France is the power station building programme proceeding on target, with at least one new power station coming into operation each year. The experts offer some explanations over the public uneasiness about the safety of nuclear power which has

forced politicians in the United States, and especially in Germany, to stop building nuclear power stations.

That unease is chiefly attributed to the link between nuclear weapons and atomic energy. The environmental lobby is said to have curbed the nuclear programme so much that the number of new orders for nuclear power stations in the world is at its lowest since the early 1960s. In the United States last year there were no new orders and 13 cancellations; in the past three years the countries supplying nuclear stations received 36 orders and 48 cancellations.

On that performance, the nuclear industry was facing bankruptcy. Only in France is the power station building programme proceeding on target, with at least one new power station coming into operation each year. The experts offer some explanations over the public uneasiness about the safety of nuclear power which has

NUJ executive backs 'Times' referral move

By Our Labour Staff

The National Union of Journalists' executive decided at the weekend to support the proposal that the conditional agreement with Mr Rupert Murdoch for the sale of Times Newspapers should be referred to the Monopolies and Mergers Commission.

The executive backed the position taken up by the union's chapels (office branches) on Friday at *The Times* and *The Sunday Times*.

However, the leaders of the three main printing unions have written to Mr Michael Foot, Leader of the Opposition, urging him not to press for a reference and urging that undertakings already given by Mr

Murdoch to the commission protect editorial independence.

Mr Kenneth Ashton, general secretary of the NUJ, said last night that he would be seeking talks today with chapel representatives on both newspapers on methods of ensuring that editorial standards and independence were safeguarded.

Mr Ashton said he believed that a reference to the monopolies commission might be of "limited effectiveness". He added: "I feel it may be just as effective to negotiate on the undertakings by Mr Murdoch and make clear that he will run into difficulties if he does not observe either those he has already given or those which our chapels are looking for."

'Pravda' attack: In a report this weekend on the sale, *Pravda*, the Soviet paper newspaper, called Mr Murdoch an international press magnate and approvingly quoted a description of him in *The Guardian* as an extremely strong pirate dealing in the sphere of international mass media.

Pravda's London correspondent said that not simply a biting remark. Mr Murdoch, a professional journalist, was "a calculating, cynical and impudent businessman" who had bought one newspaper and television company after another, first in Australia and then in other English-speaking countries.

"The mass media under the control of the press magnate invariably adopt an extreme right-wing position in the political life of the country in which they are active", the newspaper said.

It was not surprising, the report added, that when rumours first circulated about the transfer of the Times group to Mr Murdoch's ownership a wave of protest broke out.

The Russians have recently attacked the whole concept of press freedom in the West. A Soviet newspaper said last week that that "myth" served the authorities in the West as a tool in the psychological warfare against the socialist countries.

From the grassroots: Government moves 'beyond the welfare state' arouse disquiet Encouragement for voluntary sector of the social services

By Ian Bradley

The principle of voluntary social action is dear to the heart of the present Government. It was strongly commended last Monday by the Prime Minister in her speech to the centenary gathering of the Women's Royal Voluntary Service. Over the weekend and developed at a conference held on the initiative of the Voluntary Services Unit (VSU) of the Home Office.

It is the first time that any government has taken such an initiative on this subject. The conference, which was organized jointly by the VSU, the Voluntary Centre and the National Council for Voluntary Organizations, brought together nearly 200 leading figures from voluntary and community organizations, representatives of statutory services and local government and civil servants to discuss the development of local voluntary action. It will be followed by one-day regional seminars and more sharing of

information and experience among interested groups.

The conference, held at Swanwick, Derbyshire, is part of a series of modest policy initiatives being undertaken by the VSU. Applications for funds are being invited from groups or organizations with pilot projects which develop new forms of voluntary activity in the community.

Small grants are to be made available to help existing self-help schemes in six designated areas of the United Kingdom. The VSU is also to undertake two experimental local charity reviews to see whether better use can be made of financial resources by the voluntary sector.

Many of those representing voluntary bodies at the conference were critical of the smallness of these programmes, which in each case only involve an annual budget of £120,000. Professor Roger Hadley, professor of social administration at Lancaster University, received considerable applause when he

showed both the extent and the diversity of voluntary community action already going on.

Dr Anthony Allhouse, a general practitioner from Blakeborough, Northampton, described a scheme which has provided 200 of his elderly and infirm patients in scattered rural villages with a daily lunch club, home nursing and a day hospital with physiotherapy and other facilities. The services are provided by more than 240 volunteers at a total annual cost of £3,000, half of which comes from public funds and half is raised locally.

Another rural project, the placing of a full-time community worker in the Wyndeside area of Herefordshire, has led to the establishment of a village newsletter, the re-organizing of bus services and introduction of a car scheme to carry children to playgroups and the retention of a sub-postoffice as well as stimulating local people to greater involvement in the social and political life of their community.

There was, however, general agreement that in the present economic climate it was unrealistic to look to statutory services to expand, and that most of the new initiatives in health, education and social welfare would be likely to come from the voluntary sector, working in conjunction with statutory services.

Presentations made to the conference by individual local organizations and groups

Among the schemes promoting voluntary action in urban areas described at the conference was the Network Project run by the Merseyside Council of Voluntary Service. It provides the mechanism for an exchange of skills so that, for example, a housewife who is good at sewing offers her services in exchange for someone else decorating her flat.

In Warrington, Cheshire, a charitable company formed by local people, voluntary organizations and statutory authorities, is developing on a site adjacent to a new shopping centre a "high street" made up of shops, leisure facilities and community services such as an advice centre, a youth club and an old people's centre.

The organizers of the Swanwick conference hope that there will be an increasing exchange of information among those who are engaged in local voluntary action and that as a result some of the ideas and projects which were presented will be taken up in other parts of the country.

Jail officers asked not to take action

By Peter Evans

Home Affairs Correspondent

Mr Colin Steel, chairman of the Prison Officers' Association, appealed yesterday to branches not to resume industrial action.

Commenting on the ruling in the High Court on Friday that the prison officers' union had acted unlawfully in suspending action, Mr Steel told me yesterday that he understood a number of branches had since begun to again.

He wants them to follow the High Court's instruction pending legal opinion to be given today to the national executive committee.

The Home Office said yesterday that on Friday 12 branches were still taking some form of action but it had no information about the latest state of affairs.

The court ruling is likely to be followed by a battle for power within the Prison Officers' Association. Mr Justice Browne-Wilkinson held that the committee had acted unlawfully in instructing members to suspend the action without convening a special delegate conference.

He ordered it to write to members rescinding its instruction of January 13, but he suspended his order for up to six weeks to allow the national executive to reconvene the special conference which had voted for industrial action.

Although they will enable the conference to decide what to do about Home Office proposals to settle the dispute, the ruling will have to be changed. That could affect the chances of the Home Office pay deal being accepted.

A referendum was considered to be a way of restoring authority to the national executive by ensuring that it could speak and act with the backing of the majority of ordinary members.

Mr Steel said yesterday it was not clear what the judge's ruling would do to the union's intention of carrying out its intention of consulting the whole membership through a referendum.

At a conference different sized branches could each be represented by one delegate. The executive committee wanted to give one person one vote, Mr Steel said. The committee would then have known exactly what members thought.



Mr David Frost and Miss Lynne Frederick, widow of Peter Sellers, at home yesterday after their wedding in Suffolk on Saturday.

Doctors' pay assurance

By a Staff Reporter

Doctors' leaders have accepted assurances from the independent review body which recommends their pay, that it retains its independence, after a meeting last week between its chairman, Sir Robert Clark, and the Prime Minister.

Mrs Margaret Thatcher called in Sir Robert and the chairman of the other review bodies, to emphasize the economic background of future settlements.

That raised fears among the doctors that Mrs Thatcher might be attempting to force a limit on the review body's recommendations.

The review body told the doctors last year that general economic factors must be taken into account when making its awards.

New-type wheel 'could take a car upstairs'

By Michael Bailey

Transport Correspondent

Transport 3,000 years, the wheel has been re-invented. The new one is not a rigid disc like the one originating in the Middle East about 1,000 BC, but a kind of circular sponge with its own internal springing that absorbs bumps.

According to its inventor, Dr Sydney Jones, it would enable road vehicles to dispense with roads, a particular attraction to developing countries, and cars to drive up and down stairs.

An engineer and physicist, Dr Jones was responsible for the revolutionary advance passenger train (APT) as British Rail's board member for research until his retirement four years ago. Before that he was a guided missile designer at the Ministry of Defence. He has developed the "conformable wheel", as he calls it, in a small private laboratory at his home in Worcestershire.

He has made extensive model tests and is now building a prototype. Two British companies are interested.

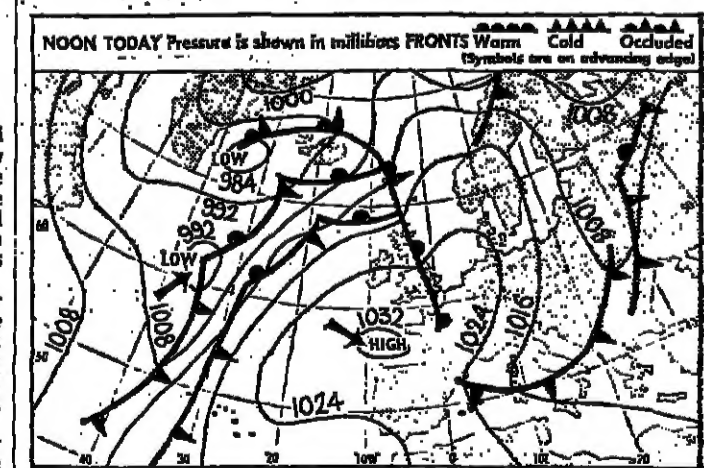
Of the conventional wheel, with its two separate suspensions, in the tyre and the chassis, Dr Jones says: "It has just grown like Topsy."

His wheel would be bolted straight on to the chassis and would give a smoother and safer ride at roughly the same capital and running costs, he says. It consists of a solid hub encased in a resilient disc of steel and plastic. The design is covered by patent.

Dr Jones, who helped develop a "new understanding" as he modestly puts it of the interaction between steel wheel and rail with the 150 mph APT, is cautious about the speed and extent of application of his wheel.

It would be particularly appealing in the first place for military, industrial, and agricultural use. After that, "it just depends how the idea catches on". But he does not rule out the possibility that one day it will take over from the existing wheel and tyre.

Weather forecast and recordings



NOON TODAY Pressure is shown in millibars FRONTS Warm Cold Occluded			
London	1012	1012	1012
Birmingham	1012	1012	1012
Manchester	1012	1012	1012
Cardiff	1012	1012	1012
Belfast	1012	1012	1012
Edinburgh	1012	1012	1012
Glasgow	1012	1012	1012
Liverpool	1012	1012	1012
Nottingham	1012	1012	1012
Sheffield	1012	1012	1012
Southampton	1012	1012	1012
Wolverhampton	1012	1012	1012
Wrexham	1012	1012	1012
York	1012	1012	1012

NOON TODAY			
London	1012	1012	1012
Birmingham	1012	1012	1012
Manchester	1012	1012	1012
Cardiff	1012	1012	1012
Belfast	1012	1012	1012
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Wolverhampton	1012	1012	1012
Wrexham	1012	1012	1012
York	1012	1012	1012

HOME NEWS

Cardinal and Church of England unite in condemnation of 'misconceived' Nationality Bill

By Lucy Hodges
Cardinal Basil Hume and the Church of England yesterday united in a strong condemnation of the Government's Nationality Bill which will be debated tomorrow in the House of Commons.

The move by the two churches shows the degree of opposition to the Bill, to be read for a second time tomorrow. It has been condemned by most ethnic minority and civil liberties groups and last week the Board of Jewish Deputies called for it to be withdrawn.

Cardinal Hume, Archbishop of Westminster, and the other Roman Catholic archbishops said in a statement published yesterday that the Bill was "misconceived and its consequences could be grave. Their statement, sent to Mr William Whitelaw, Home Secretary, last Friday, called on the Government to reconsider the issues.

In 1979 the Roman Catholic bishops laid down nine principles which they said should be the framework for a new law. They find that the Bill conflicts with six of those points.

They reiterate their concern for the effect the Bill might have on Britain's minority communities. "Far from responding to this concern, the Bill creates new uncertainties and, if it becomes law, will sharply increase the feelings of vulnerability and insecurity," they say.

Members of minority groups who were born here will face more frequent questioning of their status. Many people will be deprived of their entitlements to registration; and there is bound to be uncertainty as to how civic rights may be redefined in the future and to whom they may be extended.

The Bishop of Exeter, Dr Graham Leonard, chairman of the Church of England General Synod board for social responsibility, yesterday accused the Government of racial discrimination in the Bill. He will be meeting Mr Timothy Raison, Minister of State at the Home Office, to express his concern.

He said that by creating three different citizenships, only one giving the right of entry to the United Kingdom, the Government was "abdicate[ing] responsibility for many people."

He also questioned the ending of the principle that all those born in Britain were British citizens.

Mr Michael Foot, Leader of the Opposition, has pressed repeatedly for all stages of the Bill to be taken on the floor of the House, rather than in committee, on the ground that the measure has constitutional implications.

That has been resisted by the Government but Mr Foot warned Mr Francis Pym, Leader of the House, last week that the Government would run into "greater difficulties" if it insisted on having detailed debate in committee.

Airport fees blamed for shop's closure

A branch of W. H. Smith at Heathrow is to be closed because of "excessive charges" by the British Airports Authority.

The shop has more than a year of its concession in run and was recently improved. Over the past two financial years it has lost £120,000.

A spokesman for W. H. Smith, writing in *Heathrow's* newspaper, *Skyport*, said: "The

shop had a turnover of £1.7m last year out of which we had to pay the British Airports Authority an excessive £426,000. "That is a very high rate indeed and we could never make the operation profitable, so the board decided we could not afford to keep it going."

The BAA has denied the company's claim, and said the charges, related to annual turnover, were agreed when W. H.

Smith took over the five-year concession in May, 1977.

The BAA said: "As a direct result of the economic recession sales have not reached the level expected by W. H. Smith. It was for this reason that they made the business decision to terminate the contract."

The closure will affect 22 full-time staff and nine part-timers.

Bacon and butter price rise forecast

By Our Agriculture Correspondent

Grocery importers have given a warning that today's rise in the Government-backed EEC tax on food will mean that most bacon bought in Britain this week will cost an extra 6.7p a pound, and butter an extra 13p a pound.

Mr Eric Coombs, managing director of the British subsidiary of the Butterdane company, said on Saturday that his group and others could cut their prices by the full amount of the EEC tax if the Government abolished it by revaluing the green pound.

"The British Government's failure to revalue now means that butter is overpriced," Mr Coombs said.

The tax occurs because the strength of sterling has pushed British farm prices above those in the rest of the Community.

The Government's policy is supported strongly by British farmers—but grocery suppliers are worried that it is depressing sales by making food too expensive. Figures to be issued today show that consumption of butter, bacon, ham, sausages and some tinned foods was lower last autumn than a year earlier.

The Ministry of Agriculture, Fisheries and Food said that food prices had risen by 12p in the pound over the 12 months to October, 1980, while the amount spent had increased by only 10p in the pound.

British subsidies, page 4

Navy guarding oil rig from illegal trawlers

From Ronald Faux, Edinburgh

A Royal Navy patrol vessel is on guard near the Heather oil platform north-east of Shetland after reports that the safety zone around the platform had been entered by fishing vessels.

HMS Shetland was sent to the area after complaints from Union Oil, operators of the field, that fishing vessels had sailed within 100 ft of the platform.

The Ministry of Defence said yesterday that the ship had been ordered to the oilfield on Friday from her normal North Sea patrol. By the time she arrived four hours later the illegal fishing vessels had gone.

A spokesman said HMS Shetland would remain in the area.

North Sea oil platforms are ringed by a 500-metre safety zone. Oil vessels with explicit permission are allowed inside. The rule is aimed at preventing accidental damage to the structures, protecting divers and vessels working legitimately close to the rig, and as a security precaution.

On most platforms the letter

U is flashed continually in Morse by signal lamp, which is the international signal for warning vessels that they are into danger.

The offending boats, thought to be French trawlers, had their names, numbers and identification marks blacked out. What persuaded them to take such a Nelsonian approach was probably the rich fishing to be found in the immediate vicinity of an oil rig.

It is a popular place for fish because the water is marginally warmer, there is plenty of marine growth to feed on, and no one is trying to catch them; even handlines are forbidden for fear of causing injury to divers.

Reports reaching Aberdeen showed that a French stern trawler had passed within 100ft of the platform in spite of danger signals and the efforts of safety vessels to ward off the intruder.

An oil industry spokesman said yesterday that fishing boat infringements were not uncommon but were potentially very dangerous.

Wolf shot in Kent village

From Our Correspondent, Ashford, Kent

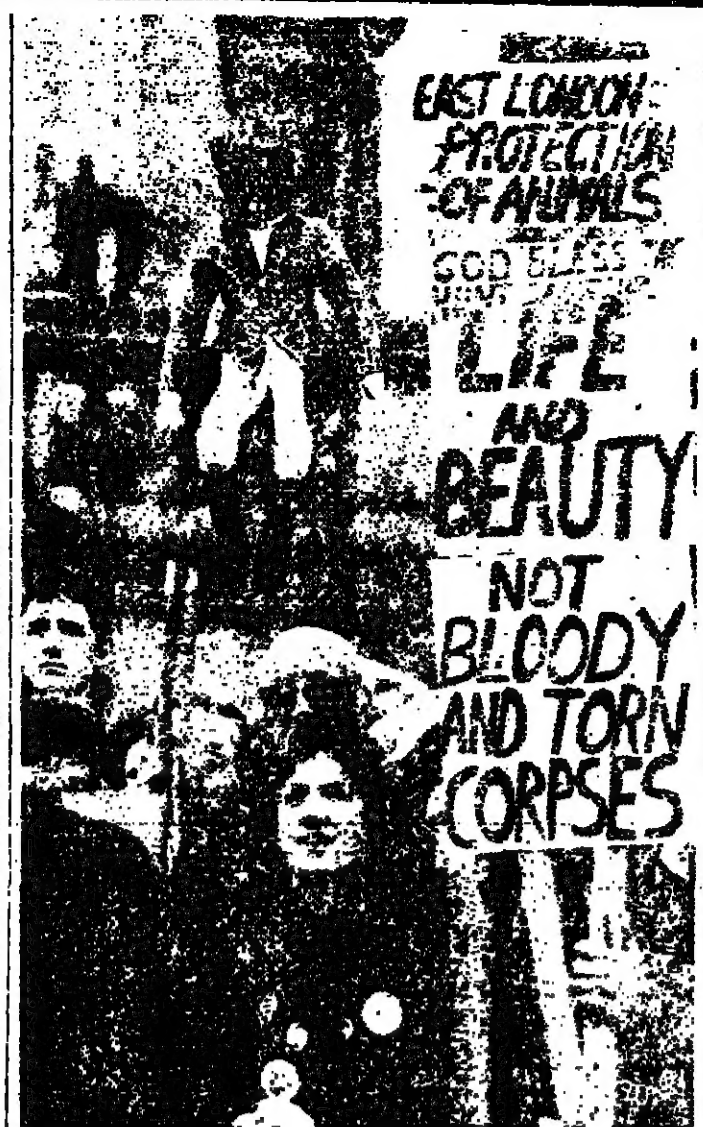
A wolf shot in a Kent village yesterday had escaped from Howlett's Zoo at Bekebourne, near Canterbury, where two keepers were killed by a tigress last year. The zoo is owned by Mr John Aspinall.

Canterbury police sent 10

officers to help zoo staff in a hunt for the wolf.

Later a motorist told police he had knocked the wolf down at Littlebourne. A member of the zoo shot the wolf, which had been badly injured.

Some local people complain that a number of animals, including wild boar and antelope, have escaped from the zoo.



A toy fox dressed in hunting pink being held aloft by demonstrators at an anti-hunting rally in Trafalgar Square, London, yesterday.

Final limited edition of MGB cars

By Our Motoring Correspondent

BL today announces a limited edition of 1,000 MGB sports cars, with distinctive paintwork and equipment, which have been built to mark the nineteenth and final year of MGB sales.

The cars have been in store since the MGB plant at Abingdon ceased production in September and comprise 530 GT coupes at £6,576 and 420 open tourers at £6,108.

The GT models are finished in pewter metallic paint, with silver side livery and silver and chrome interior trim, while the tourers have bronze metallic paint, gold side livery and orange and brown striped trim.

The cars go on sale on Wednesday from a limited number of BL dealers. BL is expecting a heavy demand for what it sees as collectors' items and it has set up a special office.

Standard MGB models, which cost about £300 less than the limited edition, are likely to be available for a few more months. The MGB was introduced at the London Motor Show in 1962 and just over half a million have been built.

Consumer group supports end of bus monopoly

By a Staff Reporter

The Government's intention to end Cardiff City Council's statutory monopoly on local bus services has been wholeheartedly supported by the Welsh Consumer Council.

The consumer council described the monopoly, established by the Cardiff Corporation Act, 1930, as "archaic, anachronistic, unnecessary."

Miss Shelagh Salter, chairman, said: "We are opposed in principle to laws or regulations which permit a restrictive practice to continue as of right. These restrictions are seriously detrimental to the interests of consumers in Cardiff."

She added that bus operators did not need a statutory monopoly to protect them from competition that was against the public interest. The powers of the Traffic Commissioners were enough.

The consumer council emphasized that its support for the move did not imply criticism of Cardiff's present bus services or support for CK Coaches, a private company, applying to run buses in the city.

Mr Norman Fowler, Secretary of State for Transport, made his proposal under powers granted by the Transport Act, 1980, and he has asked interested parties to give him their views by February 6.

The consumer council successfully campaigned for the inclusion in the Transport Act of a clause allowing the revocation of restrictions in local Acts.

Housing blow to disabled feared by Shelter

By Pat Healy

Social Services Correspondent
Council housing cuts have affected disabled people disproportionately, according to a survey of 67 local authorities in England and Wales, Shelter believes today.

Detailed information from the authorities showed that in 1980 the number of new council homes started for disabled people was down by 32 per cent compared with the average cut in starts of 23 per cent.

"Although the sample is a small one, this survey confirms our growing anxiety that, in their International Year, the disabled will see discrimination against them increase," Mr Neil Atchison, Director of Shelter, says in a statement.

"Our survey suggests that, despite this special year, cuts

In brief

Bomb discounted as fire cause

The police have discounted a bomb as the cause of last week's fire at a West Indian party in New Cross Road, Deptford, south London, but they still suspect that it was started deliberately. The toll has risen to 11 with the death of Miss Yvonne Kuddock, aged 16.

Forensic evidence shows that the source of the fire was paint stripper sprinkled on a carpet.

The police want to trace the occupants of a white Austin Princess and a green Rover, seen outside the house at about 5.30 am on Sunday, January 18.

Mountbatten bomb man to appeal

The family of Thomas Mountbatten, laid off for life for murdering Lord Mountbatten by planting a bomb in his boat in August, 1979, are to lodge an appeal.

His wife, Rose, said: "We were waiting for the past year for an appeal hearing." Her husband had asked the trial judge and the Irish Bar Council for an investigation into why appeal papers were not registered.

Clothing cooperative

Maxwell Kiddie Clothes in Huntingdon, Cambridgeshire, which closed on Friday with the loss of 75 jobs, is reopening today as a workers' cooperative called Anglia Fashions. The redundancy pay of 25 employees will finance the project.

Editor-in-chief resigns

Dr Conor Cruise O'Brien has resigned as editor-in-chief of *The Observer* for "family reasons". He will continue to write for the paper and remains on the board as consultant editor.

Pit protest dropped

The National Union of Mineworkers has withdrawn its opposition to the closure of Blackhall Colliery, co Durham. Its engineer confirmed the National Coal Board's verdict against the pit's viability.

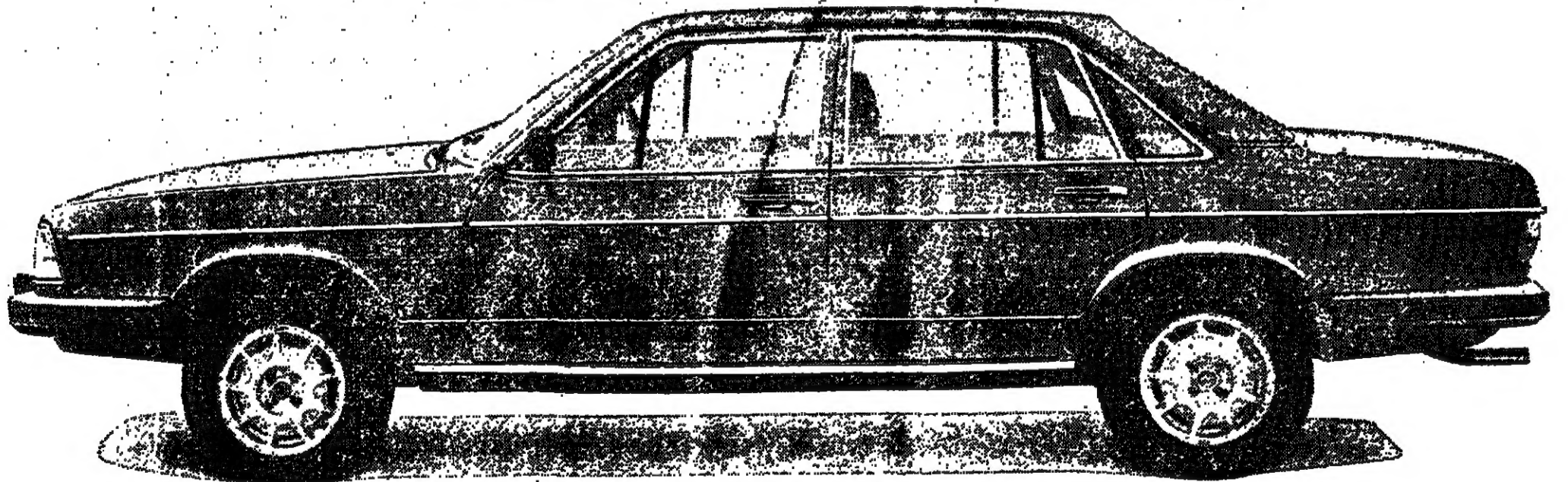
Tanker hits jetty

Sir Bernard Braine, Conservative MP for Essex, South-East, has demanded an inquiry after a 200,000-ton tanker damaged a jetty at Coryton, near Canvey Island, Essex, yesterday. He said it was the third very serious incident recently.

Steam rail extension

The three-mile North Norfolk Railway, which runs steam trains from Sheringham, is to extend the line by two miles to High Kelling. That will cost £100,000 and take passengers through the poppy land of Norfolk.

Are we trying to make our competitors feel small?



	Audi 100 GLS	Volvo 244 GL	Ford Granada 2.3 GL	Mercedes 200	Citroen 2400 Pallas
Price of model shown above	£7,444	£8,198	£8,264	£8,700	£8,639
Model range prices from	£6,186	£6,656	£6,179	£8,700	£6,179
Av. interior width (in.)	57.5	50	55	52	53
Front headroom (in.)	39	37	35	35	38
Rear headroom (in.)	34	34	34	34	32
Boot (cu.ft.)	22.7	21.5	14.3	14.7	16.8

PRICES INCLUDE CAR TAX AND V.A.T. AT THE CURRENT RATE AND ARE CORRECT AT THE TIME OF GOING TO PRESS. ALL CHGS ARE CURRENT MODEL SPECIFICATION. INFORMATION SOURCE: "WHAT CAR?" MAGAZINE TESTS.

If you're one of those souls that wouldn't have a small car at any price, perhaps you'd like to read about one of the biggest cars you can buy. At any price.

We refer to the vastly accommodating Audi 100 GLS.

The most cursory glance at our table will indicate that if space equals comfort, the Audi 100 is the most comfortable car in its class.

It is wider inside than any of its competitors—more than 10% wider than a Volvo 244, for example. It has more front headroom than any of its competitors.

And its boot is so big, it makes most of the others look like handbags.

In fact, you'd have to search very diligently indeed to find a car at any price level that gives you and your

passengers more room to spread yourselves. Even the magnificent Jaguar XJ12 (with which, of course, we do not pretend to compete) gives you 2" less average width. But the Audi 100 GLS has several other edges over its natural rivals. At £7,444, it costs considerably less than the others.

Its combination of performance and economy is equally impressive.

According to *What Car?* magazine it has a top speed of 110 mph, accelerates from 0-60 mph in 11.7 seconds and returns an overall fuel consumption figure of 26 mpg.

And only the Audi offers you a six-year warranty against rusting through from the inside.

If you're looking for an unashamedly big car, it's time you looked at the Audi 100.

You could save yourself a lot of money.

The Audi 100 five cylinder.
Audi The car for now.

OFFICIAL FUEL CONSUMPTION FIGURES FOR THE AUDI 100 GLS (URBAN CYCLE ARE: 18.5 MPG (5.3 LITRES/100 KM); AT 55 MPH: 32.8 MPG (8.6 LITRES/100 KM) AND AT 75 MPH: 25.9 MPG (10.9 LITRES/100 KM). ALLOY WHEELS SHOWN ARE AN OPTIONAL EXTRA. FOR MORE INFORMATION WRITE TO AUDI MARKETING DEPT., VAG (UNITED KINGDOM) LTD., VERDON DRIVE, BLANLANDS, NALTON KEYNES, Notts. S44 4SA. TELEPHONE: 0535 448844.

LABOUR PARTY CONFERENCE/WEMBLEY



Points of view: Mr Benn, Mr Heffer, Mr Weighell and Mr Gormley at the special Labour Party conference in London on Saturday.

Trade unions win wider role in choosing leader after criticism of the electoral college

The Labour Party's special conference at Wembley, London, on Saturday, decided amid loud and prolonged cheering to give the trade unions the biggest single share in the election of the leader and deputy leader of the party.

Before and after the crucial vote, appeals for unity of the party were a dominant theme of speeches from both ends of the spectrum, although some speeches invited the right-wing dissenters to get out of the party.

The conference opened with a vote on the proposal that the party should elect a new leader and deputy leader by a postal ballot.

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Reports by John Winder, Bernard Withers and Richard Evans, of our Parliamentary Staff.

The executive's view was clear. It believed an equal influence for all sections, constituency Labour parties, trade unions and the Parliamentary Labour Party, was the fairest method for electing the leader and deputy leader. Other methods would be costly and difficult to put into practice.

Mr Frank Chapple, general secretary of the Electrical, Electronic, Telecommunications and Plumbing Union, said that throughout its history the party had been committed to democracy and the movement had always fought for the principle of one man, one vote. The conference should uphold that principle. His union opposed the proposal for one member, one vote which enfranchised the entire membership and gave every supporter an equal right in choosing the party leader.

Mr Robert MacLennan, MP for Carlisle and Sutherland, said the conference was perhaps the most crucial in the party's history. Every proposal for an electoral college had a fatal flaw.

Membership of a union of the House of Commons, the Fabian Society and of a constituency would give some people four votes. That was not the most crucial criticism was that a major part in the choice of the leader of the party would be played by people whose interests were committed to destroying the Labour Party, by the Communists, by the Conservatives, by the Tories and by others who had no political commitment.

Mr David Owen, MP for Plymouth, Devonport, said that his constituency supported the proposition of one member, one vote. "I have always supported one man, one vote," he said. "I have always supported one man, one vote." He said that the party wanted constitutional changes, a radical overhaul of our constituencies. He said that the party wanted constitutional changes, a radical overhaul of our constituencies.

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electoral college is going to be done. But I say to the party this: the day this system is used to elect the leader, the whole of the country will be watching the proceedings, and then these procedures will be shown to be totally undemocratic. They will be shown to be a totally illegitimate way of electing the prime minister of the country. We the party even at this late stage to reconsider it. We have a leader who has been elected fairly and openly. He did not vote for Michael Foot. He has been elected and accepted by the Labour Party. Why vote for a system now which you know will split the party, which you know is unfair, which you know is undemocratic?

"Why should we go back to a system which even the founding fathers of the Labour Party knew would not represent a national party? To allow the block vote to choose the future prime minister of this country is an outrage. It is a disgrace and this conference ought not to accept it."

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Hattersley attack on party within party

By George Clark

Political Correspondent

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Foot plea for party to accept verdict

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WEST EUROPE

Socialists close ranks behind Mitterrand for presidential contest

From Charles Hargrove

Paris, Jan 25. François Mitterrand, the veteran Socialist leader, yesterday officially became the Socialist candidate for the French presidential elections in April. He was elected by more than 83 per cent of the 600 delegates at an extraordinary party congress at Créteil, east of Paris.

The congress was marked by a great display of unanimity, which put paid to the personal rivalries and the infighting between the various factions of French socialism which have tarnished its image in the past two years.

The result had been a foregone conclusion ever since last autumn, when Mitterrand easily brushed aside his younger challenger, M. Michel Rocard, who was widely regarded as standing for a more modern and dynamic conception of socialism, and less beholden to the Union of the Left with the Communists.

At an executive committee meeting on November, M. Rocard voluntarily stepped down, saying he did not want to appear as a divider of the party.

M. Rocard and M. Pierre Mauroy, the Mayor of Lille and leader of one of the most powerful Socialist federations in the country, recently publicly declared their willingness to campaign for the party's chosen candidate. It remained for the local party associations to ratify the choice of M. Mitterrand. This has happened in the past few weeks.

Yesterday's congress was in M. Mauroy's words, a kind of "high mass" of socialism, a communion in rediscovered unity, buoyed up by the growing conviction of all the delegates that Mitterrand had the chance of beating President Giscard d'Estaing, assuming the President is a candidate, which is not yet absolutely certain.

The opinion polls have recently shown the margin between the Socialist leader and M. Giscard d'Estaing narrowing to a mere 2 per cent. The Socialists have the added advantage that this time they are no longer encumbered with a Communist alliance which frightened many middle-class voters in 1974.

Extremists have been handed a sick with which to beat every mainstream party member. The democratic socialist vote was still there, waiting to mobilize, and it was the duty of the mainstream parties to mobilize it to get policies changed.

Members who were threatening to leave the party had done much damage to the cause of democratic socialism with half-hearted attempts to create a new political alignment.

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series of by-elections last autumn showed that they had become, as a result, much more dangerous opponents of the Government majority and its leader.

The extraordinary congress also unanimously ratified the appointment as first secretary, replacing M. Mitterrand, of M. Lionel Jospin, who at 43 is one of the "young Turks" of the French Socialist Party.

M. Jospin only joined the party in 1971 when it was reformed under M. Mitterrand's leadership. Tall, personable and athletic, he is extremely efficient and popular with the rank and file, but practically unknown outside the party, having studiously shunned the limelight. He owes his meteoric rise both to his undoubted talents, and to his absolute loyalty to M. Mitterrand, who gave him the important responsibilities in the party leadership as early as 1973.

Even if he is beaten in the spring for the third time running, M. Mitterrand will own in M. Jospin one of his own men in control of the party.

The new first secretary, called for a vast popular closing of the ranks around Mitterrand. "The Socialist Party must be the remarkable instrument of his will, an uncertain and indecisive battle, which can be won in spite of the obstacles of the right and of the Communist Party," he said.

M. Mitterrand also emphasized the party's role in the hour of change and believed the hour could alter the course of history by breaking with the Socialists.

In the evening, at his first election mass meeting, M. Mitterrand told some 10,000 Socialist supporters at the Port de Versailles exhibition hall: "We must save the Republic, for democracy is in peril."

OVERSEAS

Stories of maltreatment by the Iranians continue as former hostages leave Germany for home

From Patricia Clough
Bonn, Jan 25

Wearing new clothes and looking rested after their four days in the United States Air Force Hospital at Wiesbaden, the 52 released American hostages left West Germany today to rejoin their families in the United States.

Delightedly, they shook hands with many of the 1,000 or more American servicemen and families who had gathered at Rhein-Main airport near Frankfurt, to give them a rousing send-off. One said: "We want to thank you people for your support."

While others said "It feels great to be going home."

Apart from some individual chats with journalists, it was their first contact with the outside world for more than 14 months.

Their departure, like their arrival early on Wednesday morning, was surrounded by the new patriotism touched with sentimentality which their story has kindled among Americans.

Two military bands played "God Bless America" as well as "This is my country" and "The Stars and Stripes Forever". Large American flags and yellow ribbons, symbolizing love for a returning prisoner, hung from the control tower. The converted Boeing 707 jet which flew them home was renamed "Freedom One".

During their debriefing and medical tests at Wiesbaden it emerged that some, though not all, had been seriously maltreated both physically and mentally.

Some had suffered psychological damage as a result of their experiences but doctors believe it will pass.

Yesterday, a group of 52 Iranians arrived at the hospital with 32 red roses, one for each hostage, and a copy of the Rubaiyat of Omar Khayyam. They carried placards saying: "Real Iranians are ashamed of hostage taking." "Khomeini is not Iranian" and "We greet 52 guiltless people".

Under the anxious eyes of a large contingent of German police, they told reporters they represented some 20,000 Iranians in West Germany who supported the Shah and who wanted to tell the hostages that the Iranians were really a peace loving people.

The Rubaiyat, the best known work of Persian literature was, one explained, about life, love, drinking, and singing—not what Mr Khomeini talks about.

Speculation that the hostages might have eventually identified themselves with their captors proved groundless. The few who talked to reporters left no doubt of that.

Asked if he would return to Iran, Mr Bruce German, an administration officer in the Tehran Embassy said: "Only in a B52 (bomber)". Mr Malcolm Kalp, of the economic department, said: "Buy Iraqi war bonds, that's my view."

One hostage told a crew member on their flight to Germany that the best punishment for the Iranians was to

make them stay in Iran for the rest of their lives.

Mr Kalp said that if any former hostage had come to identify himself with the Iranians "I'd be flabbergasted". Of his capture, he said: "There were a few that were slightly humane. That is as far as I will go. They were not students, although they may have been students once. They were pure and simple terrorists."

Asked if the hostages had been tortured, he said: "Tortured physically, no. Psychologically and mentally, absolutely."

Mr Kalp said he had spent 374 days in solitary confinement and had tried three times to escape. After one attempt he was handcuffed and bound for seven days. "They assaulted me on two occasions while I was handcuffed, they choked me, kicked me in the head, kicked me in the body, punched me in the face, punched me in the body, threw me against a concrete wall—things like that."

Rescue attempts too late: An aborted military effort to rescue the hostages was too late to have any chance of success, Mr William Bell, one of the 52 and a records officer, said in a telephone conversation from Wiesbaden to Seattle.

By the time the April 24 mission went awry in the desert, the captives were being shuffled in and out of the United States embassy compound in Tehran, the Seattle Post-Intelligencer reports.—AP and Agence France-Press.



Last lap: Three of the released Americans (from left), John Graves, Barry Rosen and Kathryn Koob wave farewell to the crowds at Frankfurt.

Mr Reagan praises prisoners' families

From David Cross
Washington, Jan 25

Before leaving Washington to greet their loved ones at West Point, about 140 close family members of the freed American hostages were received by President Reagan and Mr George Bush, the Vice-President, in the state dining room of the White House today.

In a few misty-eyed words of welcome, Mr Reagan praised the families of what he insists were prisoners of war for their courage and dignity during the long ordeal. "America has to be very proud of you," he said before joining them in a brief prayer of thanksgiving. He said he would not be attending the arrival of the freed Americans on their native soil today because "I think this is basically a time for the former prisoners and their families to be together without any interference by me."

The President and the public will have their chance to greet the former hostages when the latter fly to Washington on Tuesday for a huge reception on the White House lawn. The ceremony is expected to equal in pomp and circumstance the arrival of a leading head of state.

The freed hostages and the closest members of their families will arrive at Andrews Air Force base outside Washington at about noon. They will then travel into the city along the same thoroughfare taken by Mr Reagan to the White House after his inauguration last week. Instead of ticker tape the freed Americans will be greeted by miles of yellow ribbon, supplies of which ran out in many

Washington shops a week ago. The display of yellow ribbon to greet returning heroes is a tradition which dates back at least to the Civil War. Families tied such reminders round the nearest oak tree while their loved ones were away at war and, finally, to welcome them home.

As details of the harsh conditions under which the hostages were held in Iran continue to leak out, Mr Warren Christopher, the former Deputy Secretary of State, who played a prominent role in the negotiations for their release, said today he expected it to be a long time before the United States resumed normal working relations with Iran. The treatment of the hostages had been "a disgusting and vile act", he told a television interviewer.

Nevertheless, the physical condition of the hostages was relatively good, he said. Mr Christopher joined other members of President Carter's Administration in urging President Reagan to honour the agreements with Tehran for the return of the Americans. He said there were no hidden secrets in the documents.

Russian accusation: The Russians today renewed their accusation that the hostage drama was entirely the fault of former President Carter, who exploited the issue to build up American military force in the Gulf (Our Moscow Correspondent writes). The accusation made by a political commentator in Pravda, came only a day after a strong American protest delivered over the weekend at the way the Soviet press and television have treated the hostage issue.

Moderates in Tehran question settlement

From Tony Allaway
Tehran, Jan 25

Iranian newspapers today continued to attack the hostage settlement as "a nightmare of illusions".

Despite yesterday's plea by Ayatollah Khomeini to newspapers to stop attacking the country's officials, the newspaper Islamic Revolution explicitly stated that none of Iran's four conditions for the hostages' release had been met.

The newspaper, which supports President Bani-Sadr, castigated fundamentalist newspapers for proclaiming victory in the negotiations. It said: "It is most regrettable for us to have to say that Carter is the one telling the truth and our own newspapers and officials have deceived the nation."

The officials must clarify for people why the spies were not put on trial and were instead released.

Another moderate newspaper, Mizan, asked readers to join in an opinion poll by answering such questions as: "Was the hostage taking wise?" "Was it necessary to keep them that long?" "Was it essential to release them on these conditions?" "Has Iran triumphed in the issue?"

The continuing onslaught was predicted by those officials closely involved with the hostage affair. The day after their release Hojatoleslam Hashemi Rafsanjani, the Speaker of the Iranian Parliament, said that those who once opposed the hostage taking, as the President and other moderates had done, would suddenly become its most vociferous supporters.

Without referring to the hostage crisis, Ayatollah Khomeini yesterday said that such verbal battles were providing ammunition only for "foreign propaganda" against Iran. "We are brothers," he said. "Don't let them cite our words."

Unity call at Islamic conference

Mecca, Jan 25—The third Islamic summit conference opened today in Al Haram mosque in Mecca with repeated calls for unity to perpetuate the "awakening of Islam".

Delegations from 37 Muslim countries and the Palestine Liberation Organization sat barefoot in a row on the mosque floor while the muezzin, the caller of daily prayers, recited verses from the Koran and said: "There should be no division between you."

The muezzin also called on the delegates, which included three kings, five emirs and 19 presidents—many dressed in their national costumes—to unite with God.

King Khalid of Saudi Arabia, who is host, pledged to unite all Muslims and make the voice of Islam heard. "God has made Islam and Muslims victorious", he said.

Iran and Libya were among the nations that turned down invitations to attend the conference. The Iranian Government remained adamant that it would not sit with President Saddam Hussein of Iraq.

The inaugural ceremony for the summit ended more than two hours after it started. As darkness covered the city, the delegates prepared themselves for the long drive back to Taif where the conference will begin tomorrow two days of closed working sessions. — Agence France-Press.

West Bank settlers seize hilltop

From Moshe Brilliant
Tel Aviv, Jan 25

Jewish settlers in the occupied West Bank after a secret night operation, seized a rocky hilltop north of Jerusalem at daybreak to press the Government to implement its decision to build a Jewish suburb called Givon at the site.

Soldiers surrounded their campment but the area commander, Brigadier Binyamin Ben Eliezer, visited the squatters and said the soldiers would protect them, not eject them.

Mr Menachem Shalevitz, director-general of the Prime Minister's Office, explained: "actually they had been promised the land. They are not really law breakers."

The 100 squatters came from a former Jordanian Army base near by where they had been living for three and a half years waiting for proper housing in the planned development. They arrived in a convoy of lorries and cars.

Murder confession: The son of an Arab Druse member of the Israeli Parliament has confessed to the murder of a Bedu Sheikh outside a Jerusalem hotel two weeks ago, police said today (Reuters reports from Jerusalem).

They said Self Moudi, aged 23, a lieutenant in the Israeli army, had admitted the murder of Sheikh Hamad Abu Rabia, who preceded Mr Moudi's father in the Knesset.

'Gang of four' sentences condemned by Amnesty

Continued from page 1
"political rights" for life, while the others were deprived of their "rights" for five years after completion of their sentence.

The meaning of this clause is that they will be banned from ever attempting to make a political comeback.

The general opinion here is that the suspended death sentences are an act of clemency on the part of the present leadership, headed by Deng Xiaoping, the Vice-Chairman, and that it is hoped this will lead to a more harmonious political atmosphere in China.

Amnesty condemnation: The "gang of four" court proceedings "failed to meet internationally agreed standards for a fair trial in which the accused are presumed innocent until proved guilty", Amnesty International said yesterday in a telegram urging Peking to commute the death sentences (our Foreign Staff writes).

The human rights organization noted that the defendants had spent between four and nine years in detention before being brought to trial. Some of the charges were purely political, and not criminal.

Amnesty believes from unofficial sources that the expected trials of "gang of four" followers will start soon.

The conduct of this main case "might have an adverse effect on standards for the conduct of other political trials in China", it said.

Chinese courts often pass suspended death sentences. During the period of reprieve, the prisoner is supposed to undergo rehabilitation. If he repents, his sentence is commuted to a long prison term.

Yesterday's expulsion of Jiang Qing from the court room was the third in the course of the trial. She began to shout such slogans as "It is just to rebel" and "Down with revisionism", after hearing herself described yesterday as treacherous by the court president. Chinese television showed her being removed but her shouted words were kept inaudible by the television technicians.

Leading article, page 13

Some takeovers can seriously affect your export business.



The exporter has to survive in the business world, but he must also live in a wider one. A world where takeovers are negotiated, not by board directors, but by 'peace-keeping forces' and military advisors.

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OVERSEAS

American arms pour into El Salvador as aid is increased

From Christopher Wrenner
San Salvador, Jan 25

American arms are pouring into El Salvador and United States military personnel, who numbered only nine a few months ago, are now a full 25-strong. The \$5.7m (\$2.4m) American aid to El Salvador, which was suspended because of suspicion of police involvement in the murder of the four American nuns, has not just been "reactivated", but doubled.

There seems to be a clear difference in attitude between the Carter and Reagan Administrations towards the convulsions of the smallest nation in Latin America.

However, the decision to send in the arms, suspended through his four years of office because of the killing and repression here, was Mr Carter's. The catalyst that has transformed American policy was "foreign intervention".

The American State Department said recently that it had evidence through captured documents that leftists in El Salvador had been receiving "considerable outside arms support".

The nature of this evidence was revealed to *The Times* by Colonel Casanova, commander of El Salvador's National Guard.

Documents captured a few months ago, he said, referred to an arms-buying trip made by leftist envoys last summer. It was, it seems, a tour of socialist countries including East Germany, Romania, Bulgaria, Czechoslovakia, Ethiopia, Vietnam, and the Soviet Union.

Cuba had helped in other ways. It is the quality and the quantity of the arms that the left has been receiving—and not the doubtful allegations of "Nicaraguan invasion" that the American Ambassador here gives as reasons for the renewal of American military aid. "We have no reason to think the Government should lack arms that the left has", the Ambassador said.

The equation seems compelling for the new Reagan approach, but the rhetoric of for-

eign intervention obscures the realities of the local situation. Even without American aid the guerrillas are outgunned and out-manned in quantity and quality.

Even the triumphal display of captured rebel arms, shown to journalists last week by the National Guard, provided ambiguous evidence. "There are enough arms here for three brigades," said one officer, but on examination the weapons displayed seemed barely enough to arm one brigade—and many were homemade, belying the notion of a sudden rush of sophisticated arms to the left.

Among the weapons was a British First World War Lewis machine gun.

While the determination and the capability of the estimated 5,000 guerrillas is formidable, they are unlikely to defeat the 20,000-strong state Army—without American aid—unless they are supported by the people.

The decision to renew military aid will make a solution here "longer, bloodier and more extreme" according to the FDR, the left's political arm.

There is little sign of the political changes in El Salvador which the Carter Administration had demanded. Although the left has lost political support, it is not clear that the Government has gained it.

Far more people here fear the government security forces than the guerrillas. The struggle in El Salvador is a long way from ending.

Nicaraguan aid cut: The United States has suspended disbursements to Nicaragua from a \$75m (\$31m) economic support fund because of "evidence" that guerrillas in El Salvador had been supplied with arms from Nicaragua, an official source said last week.

The State Department has put pressure on Nicaragua's revolutionary regime to prevent any flow of arms, men, supplies or clandestine radio broadcasts from its territory into El Salvador. *The New York Times* News Service.

Earthquake kills more than 150 in south China

Peking, Jan 25.—Relief supplies were on their way today to a remote area of south-western China where more than 150 people died and at least 300 were injured in a strong earthquake yesterday.

The earthquake registered 6.9 on the Richter scale and was centred about 175 miles west of Chengdu, the capital of Sichuan province.

The New China news agency said total casualties and damage were not yet known because of disrupted communications. It said medical teams had been sent to the area with large quantities of supplies, food and tents.

Earlier reports said roads in the area had also been affected. Chinese sources said the stricken area was about two days' journey by road from Chengdu and it would be difficult to reach if roads were blocked.

"If the earthquake had been only a few hundred miles to the east the death toll could have been in the tens or hundreds of thousands", a meteorologist said.

Nearly five years ago another tremor registering 8.0 on the Richter scale devastated the north-eastern city of Tangshan, near Peking. Officials now estimate that "several hundred thousand persons" died in that earthquake.

Indonesian victims: Indonesian authorities said today that about 250 people were feared dead after last week's earthquake that hit Irian Jaya province, 2,200 miles east of Jakarta.

The official death toll today was 67 but the governor of the province said the figure could go up by 250—the number of people still missing.

Flood deaths: Heavy rains fell today in the southern Philippines island of Mindanao where 171 people have died and from where more than 700,000 others have been evacuated after the worst floods in 20 years. The area has been ravaged by continuous heavy rains since December 19. *Reuters*.



Presidential slip: President José López Portillo of Mexico stumbles while about to plant a sapling in Delhi at the start of a six-day state visit to India. The President, who had earlier arrived to a ceremonial welcome, was unhurt.

In a brief welcoming speech at Delhi airport President Reddy of India told Señor López Portillo that their two countries shared the same goals and aspirations. In his reply, the Mexican leader said: "Our first

task is that of examining the present world situation to seek to harmonize our present positions."

During his visit, the Mexican leader will tour the Taj Mahal and visit an atomic research centre in Bombay. He will have talks with Mrs Indira Gandhi, the Prime Minister, and other Indian leaders. President López Portillo and his wife will be guests of honour at today's Republic Day parade which marks the thirty-first anniversary of the constitution.

Polish strike planned to support farmers

Warsaw, Jan 25.—Poland's independent trade union movement was reported today to be planning a one-hour general strike in support of farmers on Feb 3. Meanwhile, the Government went on record as complaining about the country's declining credit of confidence abroad.

The union was expressed by Marian Dobrosielski, the deputy Foreign Minister, on Polish television, which was earlier said to have tentative plans for a public discussion between union and Government leaders. A union source said this debate was expected to be recorded early next week.

The strike plan was confirmed by a spokesman for Solidarity, the free trade union organization, in Gdansk, after both sides in the labour conflict said they were prepared to resume talks after an inconclusive round last Wednesday.

Readiness to continue talks on the free Saturdays issue and other grievances was emphasized by both sides in the face of a boycott of work yesterday by millions of Poles.

Government sources said only 40 per cent headed Solidarity's call and stayed away from work. But union organisations throughout Poland reported that up to 90 per cent of workers stayed away from offices and factories. The Gdansk spokesman accused the Government of "manipulation".

In a television statement last night, the Government thanked those workers who did go to their jobs, but it also said it was confident that the impasse would be solved and that further negotiations would take place. "The solution of the problem should be reached on the basis of realism," it said.

An official television commentary over the issue said figures demonstrated that the Government was not able to induce everybody to work, and that Solidarity was not capable of keeping everyone at home.

There were no victors but only vanquished. All Polish citizens suffered a defeat today whether they reported for work or went for a walk.

Absenteeism was highest in

big industrial plants, from which the 10 million-strong Solidarity draws most support. The union, too, expressed hope for continued negotiations and a spokesman said the Solidarity national commission would meet in Gdansk on Wednesday and Thursday to select delegates for talks. Negotiations last week between high-level Solidarity and Government teams were broken off after six hours.

The union leadership meeting this week is also to analyse the current situation not only in the country, but also in the union where militant and moderate factions have clashed recently over policy and local branches have stood on their own calling protest actions and strikes without national sanction.

One of the reasons Mr Lech Walesa, the Solidarity leader, made a personal appeal for workers to stay at home yesterday was to prove to the Government that the organization was indeed united on the issue, and to prevent further splits on other issues.

The other issues in question have more and more been appearing in Solidarity's strike demands, to the chagrin of the Government. They include sensitive political points such as freeing of political prisoners, limitation of censorship and access to the mass media.

Whereas there are strikes about strikes and protest actions in the Polish media, there is virtually no coverage of Solidarity resolutions, demands or points of view.

Protesters at the Warsaw airport Zycie Warszawy struck on Friday because the authorities refused to allow a Solidarity resolution to be printed in the paper.

In another protest, students at the university in the city of Lodz continued a sit-in strike which began last week after talks with the authorities broke down. Among student demands was making political subjects, that is Marxism, an optional rather than compulsory subject.

The students said they had been joined by local high school pupils and number about 3,000. *AP, UPI and Reuters*.

Prisoners of conscience



São Tomé: Miguel Trovoada

By Caroline Moorhead

In July, 1975, Portuguese rule ended for São Tomé and Príncipe, two islands off the West Coast of Africa, and Mr Miguel Trovoada became their first Prime Minister.

In April, 1979, after growing estrangement from other members of the Government, in particular President Pinto da Costa, who were increasingly advocating anti-western policies, Mr Trovoada was demoted to Minister of Industry, Commerce and Fishing.

In October that year he was arrested and he is now in São Tomé central prison. No charges have been brought.

The period between 1975 and 1979 was one of growing unease on the islands. On several occasions the Government declared there was a danger of invasion and that citizens had been plotting against the ruling—and only legal—party, the Movement for the Liberation of São Tomé and Príncipe.

In August, 1979, there were serious riots because of widespread fears that a proposed census was a prelude to conscription into forced labour. Mr Trovoada, long regarded as a liberal by the party, was held partly responsible.

Fearing arrest, he took refuge with his wife and two children in the offices of the United Nations Development Programme. It was there, on October 4, 1979, that he was arrested.

While no evidence has been published, Mr Trovoada was accused at the time of his detention of plotting against the President and of "economic sabotage".

Rebel chief to be put on trial

Bangui, Central African Republic, Jan 25.—Mr Hissene Habré, the former Defence Minister of Chad, is to be tried in his absence in Ndjamena as are six other leading members of his defeated Armed Forces of the North (FAN) movement, a reliable Chad source said here today.

The movement fought a bloody civil war against forces loyal to President Goukouni Oueddei for nine months last year and was driven from Ndjamena at the beginning of last month.

Meanwhile Mr Ibrahim Youssouf, the Chadian official who signed an aid treaty between Libya and Chad on June 15 last year, is believed to have been killed about 10 days ago in central Chad, a reliable source said. He was a leading member of Mr Goukouni's Armed Forces of the People (FAP).

According to some reports Mr Youssouf was killed in a clash with Habré elements who maintain a spasmodic resistance in the Abeche region. Other reports say he was killed in further fighting among the factions grouped around Mr Goukouni in Ndjamena.

On the military front, in the Biltine region around Abeche in the north-west, near the border with Sudan, and also at Arrada in central Chad, fighting was reported between the Libyan and pro-Libyan forces on one side and the partisans of Mr Habré—Agence France-Presse.

Paris protest grows over 'gambling on the loser' French policy in Chad condemned

From Charles Hargrove
Paris, Jan 25

To admit, as M Robert Galley, the Minister for Cooperation and Defence, did a few days ago, that Colonel Gaddafi had "played his cards very well in Chad" is to admit implicitly that France has played them badly.

The minister, it is true, qualified his statement by saying that the Libyan leader had done well up to the time when he announced the "fusion" of his country with Chad. That, in his opinion, was a mistake. This remains to be seen.

What is certain is that even if the "fusion" is more difficult to put into practice than Tripoli anticipates, France has been effectively eliminated from a country which was in a very specific way her own creation, and where her record, until very recently, was one of which she could be reasonably proud.

There was nothing inevitable about Colonel Gaddafi's takeover. If there had been in Paris the same sort of determination to prevent Libyan infiltration in Chad as there had been to prevent the destabilisation of Mauritania by the Polisario, or the collapse of Zaïre three years before, or more recently the integration of the Central African Republic under the ex-Emperor Bokassa, Ndjamena would not have fallen under Libyan control.

It is all very well now for

M Galley to claim that the Chadians themselves will chase the Libyans out of their country. The question is which Chadians. In the meantime, a wedge has been driven by Libya right into the heart of Africa; and the confidence of neighbouring countries, whose stability is almost equally precarious, in the capacity or willingness of France to defend them, has been seriously shaken, notwithstanding strong words and brave assurances in Paris.

Rumours current in Paris and in other African capitals that some sort of "deal" might be struck between Colonel Gaddafi and the French Government to divide Chad into a French and Libyan sphere of influence have done nothing to dispel the disquiet of these neighbouring African states.

The latest voice to be heard in the chorus of condemnation of French policy in Chad is that of M Pierre Messmer, the veteran Gaullist leader and former Prime Minister, who also was once a colonial governor in Africa. He described that policy as "the most serious setback of France in Africa for the past 20 years".

He condemned this policy of gambling on the loser in Chad. He declared: "We committed an error in our political analysis of the situation. . . . There is another possible policy in Chad. First to give our support to the Chadians who should ask for it. Next to tell Colonel Gaddafi that we have undertakings towards other

French-speaking African states and are determined to uphold them. In other words, we must choose between the honour of abiding by our undertakings, and the interest we may have in oil, or in certain markets, or in the decisions we are not coherent."

M Jean François-Poncet, the Foreign Minister, was hard put to prove to the foreign affairs committee of the National Assembly that they had been. He was galling a great deal by claiming that French policy was "perfectly understood" in Africa. "France will always be on the side of Africa when her independence and her security are threatened," he went on. He could only "categorically condemn" initiatives like the proposed "fusion" of Libya and Chad in violation of the Lagos agreement.

What the minister did not explain is why the French Government had not taken action before, instead of putting out a useless and innocuous warning to Libya on the eve of the fall of Ndjamena; and given grounds to the widespread suspicion that she was prepared to sacrifice Chad for a few barrels of oil.

What was at the root of the error in political analysis, of which M Messmer spoke, was the illusion that France could both remain on good terms with Libya while checking her expansionist objectives in Chad and, in other words, that she could have her cake and eat it too.

Vietnamese keen to have new talks with Thailand

From David Watts
Singapore, Jan 25

The Vietnamese Government has asked the Burmese to act as hosts for a new round of talks between Vietnam and Thailand. Despite earlier denials, that U Lay Maung, the Burmese Foreign Minister, was acting as an intermediary, the minister announced the Hanoi request on his way back from Hanoi over the weekend.

The announcement, as he arrived in Bangkok on his way to Rangoon, seems to indicate a new willingness by the Vietnamese to discuss the situation in Indo-China.

The last contact between Mr Nguyen Co Thach, the Vietnamese Foreign Minister, and Air Chief Marshal Siddhi Savetilla, his Thai counterpart, was in New York at the United Nations at the beginning of the present session. There was little progress to report.

Superficially there seems to be little change in the situation warranting a new meeting, but the Vietnamese minister was said to be "very desirous" of the discussions.

However, some Kampuchean resistance sources in Bangkok have recently reported a deterioration in security inside Kampuchea and increased measures to protect the country's rulers in Phnom Penh.

This and the reported disagreements between the Soviet Union and the Vietnamese over the occupation of Kampuchea could have a bearing on the Vietnamese request.

Chinese reassurance: The visits to Burma and Thailand this month by Mr Zhao Ziyang, the

Chinese Prime Minister, are seen as a reassurance to those countries about Chinese ambitions in the region, and as a means of improving his knowledge of foreign affairs (David Bonavia writes from Peking).

The results of Mr Zhao's trip will be followed with keen attention by other South-East Asian nations, especially Malaysia and Singapore, which are alarmed about the question of communist subversion. The last such high-level tour of the region by a Chinese leader took place more than two years ago, when Vice-Chairman Deng Xiaoping.

Mr Deng's trip in 1978 was followed a few months later by the Chinese invasion of Vietnam, though there is no evidence at this stage that Peking is planning another such venture.

However, if Vietnamese forces in Kampuchea should invade Thailand, it is likely that China would again invade northern Vietnam as a gesture of support for the Thais.

Chinese bitterness against Vietnam over the occupation of Kampuchea, and the expulsion of Chinese people from Vietnam, has abated little in the past two or three years.

Mr Zhao will certainly attempt to gauge the mood of South-East Asian governments and the degree of their anxiety about further expansionist moves by Hanoi.

Having previously served as an administrator in south-western China, Mr Zhao is fully conversant with the problems of the border regions of Burma, Laos and Vietnam.

Obote regime in drive to control black market

From Our Correspondent
Nairobi, Jan 25

Market traders and shopkeepers in Nairobi were ordered to sell food and other essential items at a fraction of the former free market prices, as part of a campaign by the new Obote Government to control black marketeering and corruption.

A list of prices for meat, milk, plantains, vegetables and other essential items has been issued, cutting former prices by up to 80 per cent.

A bunch of plantains, the local staple food, which had been selling for 35 shillings (nearly £20) should now cost no more than 70 shillings, market officials said.

The immediate effect of the Government's initiative was to produce a scarcity because vendors said the new prices afforded to sell at the new prices. Officials threatened to confiscate goods being sold at more

than the approved prices, and potential buyers were unable to obtain supplies at any price.

Last week police rounded up hundreds of street traders and confiscated their stocks of groundnuts, vegetables, cigarettes and other items. A police spokesman said the traders were having goods without licences. Many were held under arrest until they could be documented.

In other moves designed to control the soaring free market prices of scarce goods, brewers have been forbidden to sell beer to individuals, and a new distribution system for textiles has been introduced.

Ugandans generally are sceptical about the prospects for any early replacement of the well-organized free market system which has developed over the years as an answer to crippling scarcities, caused by the lack of foreign exchange to finance a larger volume of imports.

Egyptian tomb paintings stolen

Cairo, Jan 25.—Robbers have taken nine priceless wall paintings from the burial chamber at Luxor of Hui-min, a royal tribune to one of the kings of the New Dynasty (1580-1085 BC).

Police sources said the lock on the tomb was intact but above the iron gate sealing the tomb was a hole large enough for a man to pass through. An inventory with the aid of archaeologists was underway to determine if anything else was missing.—AP.

Six executed for killing children

Bangui, Jan 25.—Six people, including a son-in-law of ex-Emperor Bokassa, were executed yesterday for their role in the massacre of children in April, 1979, the Central African Republic's national radio reported.

The executions were the first in the Central African Republic since ex-Emperor Bokassa, who now lives in exile in the Ivory Coast, was overthrown by French troops in September 1979. *Reuters*.

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THE ARTS

Book review

A demonic world of imagination

The Thracians

By R. F. Hodkinson

(Thames & Hudson, £10)

Rapid advances on all fronts in archaeological knowledge since the war have made the past more interesting as well as more complicated. We used to be able to dismiss the Thracians (like the Scythians) as aggressive and drunken oiks away to the north of civilization. Herodotus described them as the most numerous of races after the Indians, and observed that only their chronic drunkenness prevented them from ruling the world. Thucydides, who had Thracian estates and Thracian blood through Cimon, wrote about Sitalces and other barbaric geopolitics. Spartacus was a Thracian. Trajan with golden profits annexed Thrace across the Danube into the Empire.

This ninety-eighth volume in the series called *Ancient Peoples and Places*, edited by Glyn Daniel, makes a persuasive case that, given political unity, the multitudinous and turbulent people who occupied the south-eastern corner of Europe could have developed into a rival of the early civilizations of the Near East and Egypt.

Besides living in a permanent state of chaos, the Thracians suffered from another disadvantage in having no written language. Their longest inscription, in Greek letters on the bezel of a finger-ring, has still not been satisfactorily deciphered. Brave men lived before Assyrians and great races before the Greeks.

But they had vanished almost without trace because they left no written records.

Ralph Hodkinson, using East European archaeological reports and his own extensive knowledge of the area and its languages, demonstrates that the Thracians contributed substantially to the foundation and growth of Troy. In the Later Bronze Age they were a power to rank with Mycenaean Greece and Hittite Anatolia. The Greek myth of the Argonauts, as well as Homer's list of Trojan allies, indicate that the Thracians combined with Troy to keep the Mycenaean Greeks out of the Black Sea and in their home pond of the Aegean.

The Thracians had no writing and therefore no Homer to tell their side of the story. Their brilliant smiths in bronze and particularly in gold were their poets, historians, and myth-makers. They provided representation of the human figure until late. The earliest portrayal of a Thracian by Thracians does not come until about 400 BC, and opens a keyhole glimpse of the demonic world of their imagination.

Later the image of the mounted hero came to play a significant role in Thracian religion. Their iconography was translated and Christianized by Byzantium into our own dear St George. At a display of modern ceramics in a Thracian area of the Ukraine in 1974 Ralph Hodkinson found representations of the primeval Thracian mounted hero, with hammer and sickle on his army helmet, still appearing that old dragon.



An eighteenth-century icon of St George from Turnovo. Official Christianity replaced the pre-Christian Thracian mounted hero by such saints on horseback engaged in Thracian activities.

The golden Thracians once occupied a vast tract of Europe from Hungary to the Ukraine and the north Carpathian foothills to the Aegean. They emerged as a flourishing Chalcolithic civilization in the fourth millennium to become a world power in the Bronze Age. Still important in decline, especially in relation to Celts and Scythians,

they virtually vanish from history early in the Christian era. This copiously illustrated summary of the latest archaeology, inevitably largely based on art styles and artifacts, and written in archaeological prose, recovers from oblivion mute and forgotten European ancestors of ours.

Philip Howard

LCS/Clebury Festival Hall

Stanley Sadie

On Saturday night the London Choral Society ventured into that traditionally rather naughty area, Italian nineteenth-century sacred music, where the composers cannot be trusted to be as decorous or as tasteful as northerners feel they ought to be.

I am inclined to sympathize with such reservations as far as Puccini's Mass of 1880 is concerned. That it uses an essentially operatic language is not quite the point; this was the

way Puccini spoke, and his schoolroom fugue at the end of the Gloria, complete with a double-bugle section and a strettos, represents an apt doffing of his cap to the ecclesiastical tradition. What is harder to take, when he is not driving home a dramatic point, or struggling to draw a sentimental tear, is that last, self-indulgent turn of the screw, melodic or (more often) harmonic. But one can admire the fine swing to the Gloria, the cleverly managed repugnance at "Et incarnatus" (for solo tenor and choir, unaccompanied), the striking, restless orchestral textures at the beginning and end of the Credo, and much of the handling of the trumpets—not all, however, for sometimes the

band effect seemed to cheapen the utterance.

Rossini has so much lapses of judgment in his *Stabat Mater*, granted his unabashed operatic idiom; he is so much less self-conscious than Puccini in making his effects and playing on our emotions, and that makes it easier to accept the stylistic disparities between, for example, the famous "Cuius animam," a stirring tenor aria, and the solemn "Quando corpus" for unaccompanied chorus.

All of this might have come over more persuasively with an unadorned Italian chorus; the London Choral Society sounded too soft-edged, too little focused, to press the music home with conviction. The

quality of line, from the men particularly, deteriorated sharply below forte, and in the Rossini "Eia mater" there was a really shocking bass. Nicholas Clebury's conducting must bear some of the responsibility for this and for the unsure ensemble, from both the chorus and the CSO. Of the soloists, Valérie Maestroni shone for her commitment and her beauty of tone. There was some passion in Claire Powell's contralto, too, though the sound is constricted. John Trevelyan produced occasional good lines in the tenor music, but there was roughness too and he could rarely ride the choir. The bass, Leonard Mroz, seemed to be labouring mountainously to produce mouse-like results.

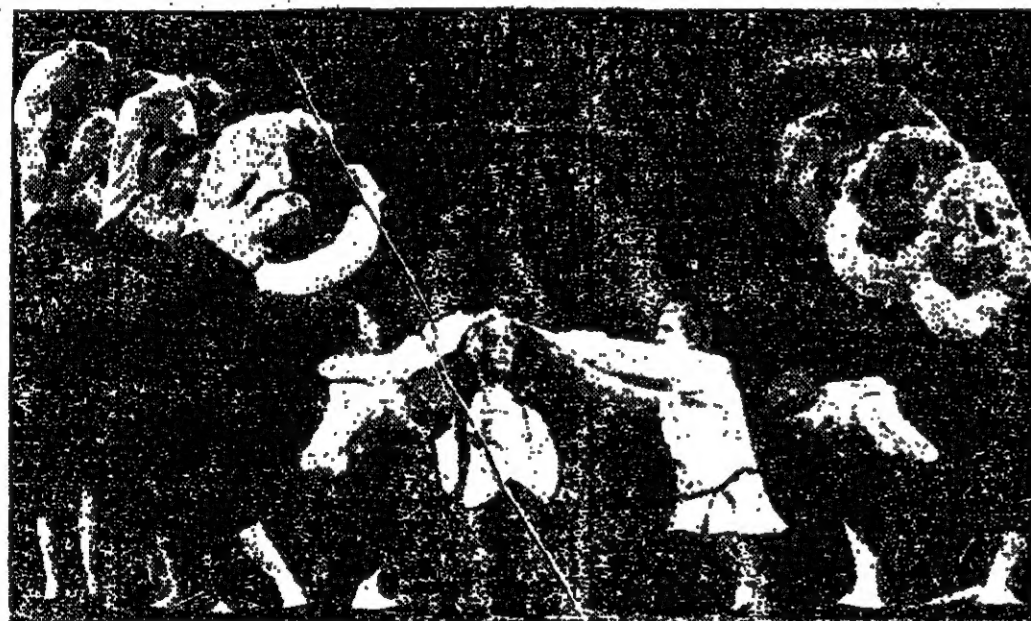
Royal Ballet Covent Garden

John Percival

You have only to listen to *Desert Island Discs* to know that, even when someone is trying to find a varied choice, the range is always in some way selective. That is why I cannot understand the kind of "grab-all" triple bills the Royal Ballet goes in for. If the aim is to appeal simultaneously to all tastes, the consequence, as Richard Buckle once memorably pointed out, is to provide something for everybody to dislike.

Take Friday's programme. What on earth have Scriabin, Chopin and Brahms popular dances music in common? And how do you find a point of reference in the choreographies of Nijinska, Ashton and Robert North? Not only the styles but the whole artistic aim is so discrepant that you can enjoy all three only at a superficial level. Anybody who really cares about any one of them, which ever that might be, is most unlikely to tolerate both the others happily.

Troy Game obviously pleases many people. To my taste, it is unbearably facetious. A pity, too, that BBC 2 last week reminded us how much better the Harlequin Dance Theatre cast



Vergie Derman as the Bride in *Les Noces*

performed it. My evening frightened me each time. A *Month in the Country* was given by a good, familiar cast in which Michael Coleman and Wayne Sleep were in notably good form.

Les Noces would benefit if some of the wedding party were replaced by younger dancers, to look more apt to a village wedding. However, in

the longest of the four tableaux they are relegated to a platform at the back and the ensemble becomes all-important. That scene is marvellously done, as are the dance episodes in the earlier ones.

For the first time since the Royal Ballet mounted *Noces* 14 years ago, Stravinsky's words were sung in the original Russian. Congratulations to Milla

Andrew, Elizabeth Bainbridge, Jack Iroas and Matthew Best for making them so vividly expressive. The English version, formerly used, Messrs Twiner, Gammon, Roche and Frank were the pianists, Ashley Lawrence the conductor. The final chimes, with Nijinska's almost static group reaching up heaven, were magically moving as always.

Marooned Trident Greenwich

John Percival

It is surprising to find two people credited with the choreography of one ballet. I gather that, although Sara and Jerry Pearson have danced together for 12 years, been married for 10 and jointly created many duets for themselves, *Marooned* is their first collaboration as a group work. The result, as shown by EMMA Dance Company in the near little theatre at Trident Hall, Greenwich, on Saturday, reveals no disjointedness.

The Pearsons have worked a lot with Murray Louis and Alvin Nikolais, both of whom have influenced the episodic structure of the ballet, although the dance style seems

personal to these choreographers. Sometimes *Marooned* becomes entirely explicit, for instance in a sequence where one sailor is lured to captivity by mermaids, but one of the sirens discovers that she can have more fun with his comrades if they are left free.

Other images are more enigmatic, but ideas of shipwreck, isolation and being stranded do come through to build up a series of moods that can be related to the literal or metaphorical implications of the title. I would like to see the dance imagery developed at more length; it is the passages of vague, atmospheric movement and the tableaux between episodes that at present make most effect. Even so, the ballet holds the interest for about half an hour.

Founded four years ago by East Midlands Arts Association, the EMMA Dance Company has served its region well, with a respectable record of new productions and much work in schools as well as theatres. It is disquieting to learn that it is under threat of dissolution to save money. When bread is in short supply, circus becomes even more essential.

In transitions from one section to another, Bach's 15 Two-Part inventions are the *Clavierbüchlein* he wrote for his son, Wilhelm Friedemann, and it might be questioned whether they are altogether suitable for a public recital. In practice, there is a fascination in the various types of two-part contrapuntal devices used, and Mr Schiff's playing revealed a strong appreciation of these.

He also reacted well to the specific character of each invention, to No 35 air of miniature ceremonial, or the thoughtfully pastoral atmosphere of No 13. And there were countless acute differentiations of touch, small subtleties of phrasing. In the Chromatic Fantasia and Fugue, again, the

Weekend television

20th Century Box LWT

Michael Church

Television moguls have recently been much given to conscientious breast-beating over their failure to cater for "young people", and they are now basting a gut to remedy things. Is this not a trifle incongruous? Are not teenagers, the only social group still relatively free of nightly addiction, rather to be envied? Yes, and yes. But the case for the defence is also a powerful one: the generation gap has seldom been wider, and to the underprivileged young of today the world presents a singularly forbidding aspect. So, looking through the weekend schedules, what do we find?

From 20th Century Box, an uncharacteristic surprise. After the trendy credit sequence with its publicist's and its drug sensation imagery came a sane and carefully thought-out film on incest. A new survey had suggested that the number of court cases involving this abuse was only the tip of an iceberg. The programme set out to examine both the problem itself and the difficulties besetting those whose duty it is to alleviate the resulting misery.

Interviews with two young women who had been child fathers' victims showed what a horrendous complex forms the thing could take. "I did have a choice," said one. "It wasn't rape." Starved of physical affection, she had initially welcomed it. The subtle horror she subsequently endured, culminating in a beating from her father after she had refused him on the day her boyfriend died, were almost beyond belief. The other woman spoke movingly of

the guilt she felt, and of the way this damaged her relationships with men in general. The law usually puts the adult offender in prison and thus makes any kind of cure for this family ailment well-nigh impossible. The programme had an encouraging interview with a social worker from Northampton, where the enlightened courts apparently suspend the prison sentence and compel the family to attend therapy sessions instead.

The more mundane and widespread problem of getting, and keeping, a roof over one's head was amusingly presented and intelligently discussed on 16 Up (BBC 2 last night). Legalized squatting may make increasingly good sense, but Rakhmanian landlords are still making their killing. Programmes like this are a necessity.

Culturally, the core of the week's offerings was discussed on *Oxford Road Show* (BBC 2), but the format of this "live and lucid look at the week" seems calculated to kill clear thought stone dead. One of the hosts is an earnest (and presumably, rather unhappy) young lecturer from the *New Statesman*, another is an ally blend of David Frost and Ned Sherrin, and another finds great difficulty in reading her girls' magazine stories from the archive. The assumption is that anything they do must automatically be interesting. One day soon Rowan Atkinson and Pamela Stephenson will doubtless make mincemeat of them.

That intelligent series on racial matters, *Babylon* (LWT) is now being repeated. Last week's, on reggae and soul, seemed as timely as ever. Yesterday's, on rastas, felt dated. Next week's, on politics, has dated too much.

LPO/Davis Festival Hall

William Mann

If Richard Strauss's *Alpine Symphony* is given fewer concert performances than his earlier symphonic poems, it is not because concert promoters think it an unpopular piece, but because it is so costly to put on to a platform. The London Philharmonic Orchestra took the bold step on Friday, and drew a capacity audience to South Bank for this grand symphonic spectacle.

It does a concertgoer's heart good merely to see that vast orchestra assembled and ready to begin Strauss's detailed look of a day's walk up a mountain (doubtless the Zugspitze which stands not far from his front gate at Garmisch). Severe aesthetic tastes have no difficulty in mocking at the profusion of incidental detail lovingly translated into musical ideas. For sheer musical entertainment, the *Alpine Symphony* deserves its survival: the distant hunters' horns in the wood, the cowbells on the heights, the menace of the glacier, slippery stones and a steep drop later on, then the sensation of glory coupled with personal insignificance, on the summit, and the thunderstorm on the way down.

Andrew Davis, uninhibited Strauss champion as he has shown himself, was just the conductor to draw sharp characterization from each incident and communicate his enthusiasm for the whole. He did not forget that Strauss called it a symphony and held all the episodes together with a non-dominant of general themes, always being developed or transformed along symphonic lines.

The LPO, heckleproof, Wagner tubas, wind-machine, thunder-sheet and all, responded manfully to his ardent direction. There were a couple of fluffs here or there, and the orchestral balance at sunrise could be thought unnecessarily garish ("never look encouragingly at the brass," was the composer's advice to other conductors); but the high-flying trumpet solos gleamed brightly and securely, and a whole panoply of exhilarating sonorities was to be heard, especially on the glacier, in the flower-strewn meadow "don't tread on the edelweiss!", and during a properly Olympian storm.

Such substantial matters as Beethoven's third *Leonora* overture, and Mozart's D minor piano concerto, with Alfred Brendel as soloist, in the first half, made this a substantial as well as enlivening concert.

An expanse of three

Braxton/Smith LSE Old Theatre

Richard Williams

Close associates since completing their training together in Chicago's Association for the Advancement of Creative Musicians during the 1960s, the saxophonist Anthony Braxton and the trumpeter Leo Smith have subsequently pursued parallel interests in experimental composing methods and in group organization, so it was instructive to hear their respective groups juxtaposed in concert on Friday evening.

While both men have attempted to direct improvisation by borrowing techniques from jazz, Smith, who has remained closer to Braxton to the conventional moods of Afro-American music, and it was no surprise that his trio provided the more expansive music of the evening.

He is a discreet but resolute organizer, and the trio's unbroken 45-minute improvisation reflected the clarity and imperious poise of his own personal aesthetic. Peter Kowald, produced his custom-made, and no doubt other than dry and uninviting.

playing of Gunter Sommer, the East German drummer, was a real surprise. Beneath the theatrical gestures lies a subtle neatness, and several of his patterns revealed originality and a refined sense of swing. Braxton's quartet, which included the trumpeter Hugh Ragin, the pianist Marilyn Crispell and the leader's armoured saxophones, played a single unified composition lasting almost an hour. Although highly organized, the piece allowed considerable latitude for individual interpretation; a high degree of skill was evident, notably from the forthright Ragin.

Using the piano as an organizing principle, the three blues guitarists (J. B. Lenoir, for example), his fingers seem to fall on the strings in a particular way, and the individual character of his music is also enhanced by his attractively dejected guitar tone, to which small amounts of reverberation and phasing are added.

Durruti Column Rock Garden

Richard Williams

The Durruti Column is mostly Vini Reilly, a young guitarist who has recently established a small but luminous reputation. As a member of the influential Manchester avant-garde rock scene and of the prolific Factory Records stable, he has commanded more attention for his tranquil, unassertive music than if he were doing exactly the same thing in a less fashionable context. I described the group as being "mostly" Reilly because it is usually a duo, the second member being drawn from a pool of Manchester drummers. On Thursday night Reilly was partnered by Chris Joyce, a strong and willing performer who might profitably have been more varied in his shading.

They began with a couple of rather perfunctory instrumental pieces, after which Reilly announced that he would sing. This was a bad idea, for he proved to have a weak, dreary voice and anyway he is gifted not in the invention of melody.

Some of the charm of his blues playing comes from its homespun spontaneity; he will never match the flashy heroics of Ralph Townner or Pat Metheny, but admirers of John Fahey or John Martyn will probably adore him, and should investigate his delightful album, *The Return of the Durruti Column*, or his contribution to the new *Factory Quartet* set.

Some of the reviews on this page are reprinted from Saturday's later editions.

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(Asia, the Pacific and the Middle East)

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BEST REVIVAL

Of the many productions that I have seen of this play, this is the finest.

Judi Dench - Actress of the Year in a Revival

accidental death of an anarchist

Amazingly successful

Eric Heffer

A touch of anarchy, but how real is it?

One could be forgiven for believing that parts of President Reagan's inaugural speech were from an introduction to a treatise on anarchy. For example, his statement "In this present crisis government is not the solution—it is the problem" could surely be the masthead, and perhaps is, of a number of anarchist journals in various parts of the world.

There is little difference in this statement and the proposition by the anarchist George Woodcock in his book, *The Anarchist Reader*, when he says, "By derivation, anarchism is the doctrine which contends that government is the source of most of our social troubles and that there are viable forms of voluntary organizations. And by further definition the anarchist is the man who sets out to create a society without government".

Of course as an extreme conservative politician, President Reagan is by no means a conscious anarchist. In fact he is clearly an implacable enemy of true anarchism, which with all its faults is a form of non-state socialism.

In a modern technological society, unless one is to have total chaos, it is necessary to have government. Innovation in economic affairs, it is essential to plan the nation's resources, but to do this as democratically as possible.

It is this need for planning which clearly marks the border between anarchistic socialism and democratic socialism as it is understood in the West. It is obvious that President Reagan is not about to abolish the state. To that extent he is not and never can be a true anarchist, but like other devotees of the private enterprise system he unwittingly goes part of the way with the anarchists.

It is now being said that although Mr Reagan admires Mrs Thatcher his advisers are urging him to put some distance between himself and her economic policies

What is really meant when it is argued that government is the root of all evil? Is government wrong to create a health service which ensures that everyone has a right to proper health care? Is government wrong to create a social security system with unemployment benefits, among others? Should government not be concerned to ensure that there is a good system of education for all and decent houses for people to live in?

It is not that government is wrong but that some governments are incompetent or are too bureaucratic.

Government is equated with high taxation. But again, is it possible to provide roads, sewerage, schools, houses, welfare, parks, police etc without taxes? In those countries where taxes are kept to a minimum, so too is the provision of services for the people, and certain services simply cannot be organized properly by private enterprise because in modern terms they cannot make a profit.

It is surely no accident that Daniel De Leon, leader of the Socialist Labour Party in the United States before the First World War, always classified the conservative free-enterprisers as basically anarchist in their thinking.

Other parts of Mr Reagan's speech contained a mixture of old-fashioned *laissez-faire* economic concepts and sheer jingoism, appealing for America to

be great again because America was different and a place where "Freedom and dignity of the individual have been more available and assured than in any other place on earth".

Most of his statements were reminiscent of those we heard from Mrs Thatcher during the 1979 general election campaign. Putting America back to work has a familiar ring, and Labour politicians in particular will be reminded of the Satchi and Satchi posters with the phoney dole queue and the slogan "Labour isn't Working" which helped Mrs Thatcher to No 10.

President Carter may not have been the greatest American president, but for all his faults he genuinely cared about the future of mankind and this was made clear in his last major speech. He was desperately concerned about the build-up of nuclear arms. Unfortunately it appears the same cannot be said of President Reagan.

It is being said that the new President will be as good as the advisers he appoints, but that is a simplification of a complex problem. The really important thing is the drift of the President's thinking. For instance, if one looks at the new administration's policy towards Latin America and the Caribbean, then right-wing dictators should be very happy.

It seems they now have a new champion and that the days have gone when the United States, even if hesitantly under a democratic administration, was a condition for giving financial support. Mr Reagan says that America's national interests must come first, and his Secretary of State, Mr Alexander Haig, is reported to have told the reporters considering his suitability for the post: "There are more important things than peace. There are things which we Americans must be willing to fight for".

The circumstances prevailing today as Mr Reagan takes office are very different to those at the time of the Nixon presidency.

The United States is not now engaged in such a war and therefore there is no incentive to withdraw the active incentives to become involved indirectly by bolstering reactionary military and fascist-type dictators, especially in its Latin American sphere of influence. The situation is frightening and talk that Mr Reagan may not be as bad as he is painted gives little comfort.

World issues aside, the big headache for the new administration will be unemployment, and it is now being said that although Mr Reagan admires Mrs Thatcher his advisers are urging him to put some distance between himself and her economic policies. If he takes their advice he is bound to run into difficulty with the right wing of the Republican Party who will be looking to him to carry out Friedmanite policies.

It is probable that we shall see Mr Reagan's administration take a number of contradictory positions on various issues. The one thing he and his colleagues cannot do is solve the basic problems of American capitalism. President Roosevelt with his New Deal could not, and Mr Reagan's right-wing concepts make it impossible to do so.

What then should be Labour's attitude to the Reagan government? The most important point is that Labour must not allow itself to become anti-American because of the President's reactionary views, and one of the things it should do when it gets back into office is to try to act as the mediator between the two great powers.

Nothing is more important than peace, because modern war can no longer be confined to small powers and any conflagration could lead to the eventual destruction of the world. The author is Labour MP for Walton, Liverpool.

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Peter Jay on America after the inauguration jamboree

The problems that won't go away



The President and his wife at the inaugural: patriotism may not be enough.

Standing on the pavement of Pennsylvania Avenue in the warm winter sun and waiting two hours so that my young son could see the new President of the United States lead his inauguration parade from Capitol Hill to the White House, I found my mind going back exactly 12 years to the day when I had stood on the same spot with an even younger daughter to watch another Californian set out on his first term with high hopes and patriotic words.

But, whereas Richard Nixon inherited a country truly in crisis and spoke on that first day of the need "to lower our voices", Ronald Reagan inherits a country which is mildly disgruntled and spoke repeatedly of "crisis".

In 1969 America was heavily committed to a war which it could not win and from which it could not at all easily extract itself. The economy was roaring out of control, building up unprecedented inflationary pressures, while the fundamental problem of the dollar's chronic overvaluation had not yet even been officially acknowledged.

The inner cities had been burning, in one case not 10 blocks from the White House, young black Americans were angrily rejecting the American dream and the American melting pot in favour of violent protest and separate organization.

The war and the bitter controversies which it bred had divided every family, setting father against son, generation against generation, neighbour against neighbour and had driven Lyndon Johnson from office despite his giant stature as social reformer and political manager and despite his overwhelming victory at the polls only four years before.

Observers and analysts predicted the breakdown of the American two party system, diagnosed a country in the throes of "collective nervous breakdown" and even spoke of the threat of revolution or of military coup d'état. Today things are very different. There is no war, the long boom of recession is taking the edge off inflation. The dollar is at last realistically valued against other currencies. The generation gap has closed. The

two party system has just performed on classical lines. Black militancy has evaporated, replaced on the one hand by a massively successful exploitation by talented and middle-class blacks of the melting pot opportunities opened up by LBJ's great legislative revolution and, on the other, by a massive despair on the part of the poor, unemployed and less competitively equipped.

And yet, despite all this, it is hard now to be as optimistic about America in the 1980s as, with the benefit of hindsight, one could have been on the eve of the 1970s. President Nixon's achievements in statecraft, at home as well as abroad, were extraordinary for all that his fatal flaws of character eventually plunged his presidency and his country into an agony from which it is still only slowly recovering. For all the lack of crisis

12 years ago, if the United States defines the problem merely as the containment of communism and if it sees itself as no more than the trustee of every non-communist area, then in the end it will be assailed by psychological and physical exhaustion.

There must, as he also wrote, be a moral compass, a positive mission to which the hearts and minds of the overwhelming majority of the world's uncommitted citizens and leaders can respond.

This strategic problem is not going to be solved by sending the marines, or other forms of material assistance, to prop up improbable, impoverished despots in Central America or elsewhere. In practice, the Reagan administration will probably think better about such reflexes, but the danger remains that, having done so, they will find themselves left

with no positive conception of the necessary re-shaping of the United States relations with the rest of the world, having rejected the designs of the Carter administration, who understood the problem so well and articulated it so badly.

Secondly, the United States economy, though not in crisis, is far sicker than it was 12 years ago. The currently declining rate of inflation is double, or more, the accelerating crisis rate which Nixon inherited. More seriously, despite the marginal rates of direct personal taxation having been slashed from 90 per cent to 50 per cent a decade ago, the growth of the United States economy and the annual gain in productivity has evaporated from a modest 24 per cent or more a year to nil. Investment, once inflation is allowed for, is hardly sufficient to replace depreciation and capital consumption.

The stock market, as measured—albeit imperfectly—by the Dow Jones industrial ordinary share index, values the key asset of the greatest free economy in the world no more highly than it did when Mr Nixon was inaugurated (and then people were taking bets whether it would be a few weeks or a few months before the index broke through the 1,000 level) and that is in "nominal" terms, after inflation has cut the dollar's real value by 60 per cent. In short, the dilemma of accelerating "stagflation" has matured, in the United States as elsewhere, closer to the breakdown point.

As in foreign policy, so in the economic policies, the new administration gives no sign of recognizing the problem, let alone proposing plausible solutions. Beyond the sterile space between traditional fiscal orthodoxy and the unproved faith of the new supply side radicals that massive budget deficits accomplished by tax cuts will stimulate growth, Keynesians to guarantee, there is little to go on beyond President Reagan's early appointments.

For what they are worth, they

suggest that in the American replay of Britain's power struggle over economic policy during the past year and a half, the wets have won even before the official kick off, though official confirmation that Mr Murray Weidenbaum is to be the new chairman of the Council of Economic Advisers would inject some distinction into an otherwise featureless team.

Indeed, reflecting on the sources of Mr Nixon's surprising success in the face of the evident crisis which faced him, one is struck by the importance of three great assets which he then had, namely his own experience of Washington and government, the talent of Dr Henry Kissinger and the self-confidence of Dr Arthur Burns. President Reagan has none of these, nor seemingly any adequate substitute for them.

Thirdly, America faces the daunting challenge of the huge disaffected minority of poor, unemployed, and disengaged who will inevitably rediscover their anger and their militancy, if their hopes of participating in the American dream continue through high unemployment and threadbare social services to be disappointed.

Here, too, the new administration seems to offer little but moral exhortation and rough-minded hostility. Mr Nixon, at least, did in practice, despite occasional ugly rhetorical excesses, succeed in lowering the voices and in allowing most of the great Johnson reforms to be consolidated. Now a young unemployed black American can expect little from his government but verbal bricksbats and a cold shoulder.

America will not solve its problems simply by comforting itself, as Mr Reagan suggested in his inaugural speech, that it will do so simply because "we are Americans". Americans have historically overcome huge problems but not because they were Americans but because being Americans they paid close and practical attention to the nature of those problems and of their appropriate solutions: America today has more to fear than fear itself, and most of all the nostalgic belief that it has nothing to fear but fear.

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Why two tall ships will sail again

experience of sail adventure schemes for young people, including some who were handicapped, disturbed or delinquent. Deeply convinced of the value of such schemes in developing self-confidence, he saw that dignified sailing could never be possible for the more seriously disabled. So he conceived a ship in which they too

could go to sea. The idea won a grant from the Queen's Silver Jubilee fund: hence the vessel's name. The original plan was for a ship about half the size, similar to the Sea Cadet brig *Royalist*. But it soon became clear that it would not work except on a large scale. Jubilee is a bigger vessel, than anything available

in this country to the able-bodied, but she is the smallest ship that could do the job. The decks are to be fitted with flush tracks, so that crew in specially designed wheelchairs can run anywhere. Internally there would be lifts enabling them to make their own way from deck to deck.

The wheel and chart-table would be accessible to them, and so would the binnacle—traditionally a tilted greasy pole just above the pounding sea. The main driving mechanism on a ship, but here a giddy but secure 12-foot aerial tramway. Less severely disabled (the blind, for instance) could work aloft, and about half the 30 trainees would be able-bodied.

"It is a gheto ship," says Mr Rudd sarcastically. The permanent crew, including a medical officer, would number no more than half a dozen.

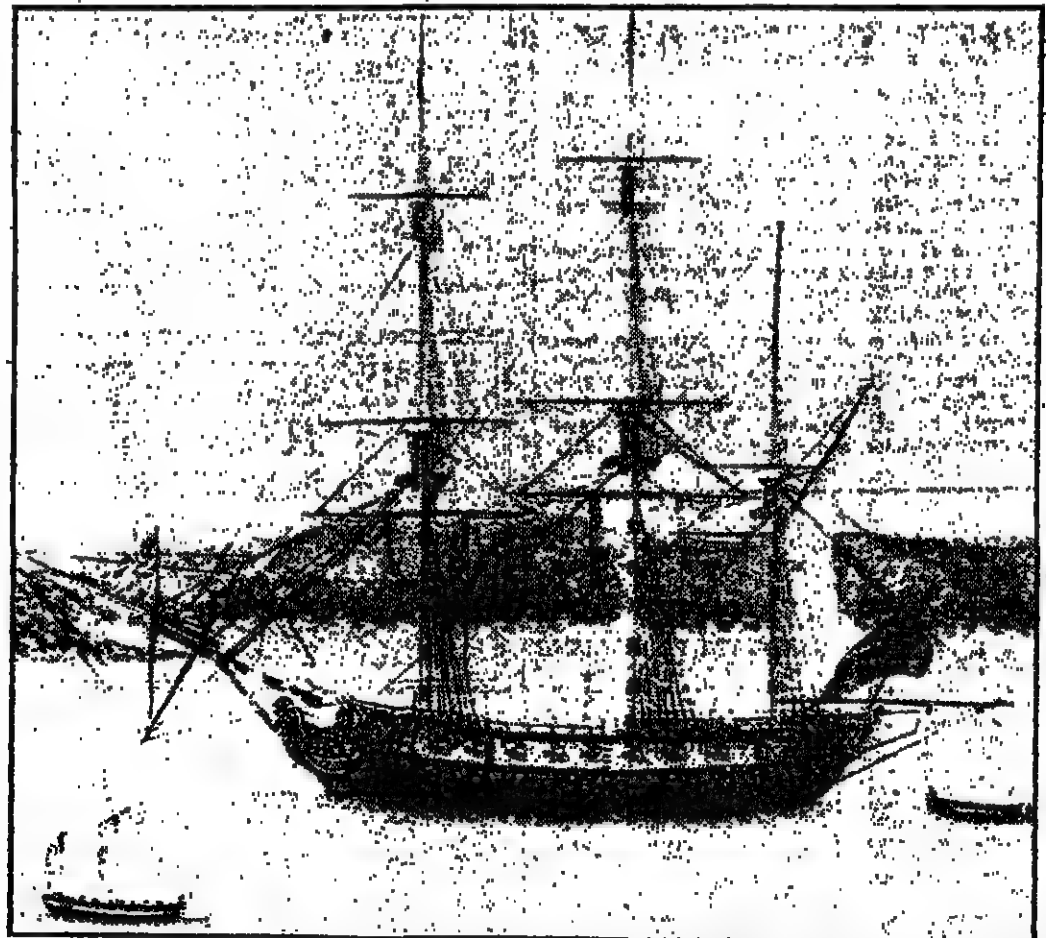
The technical problems are novel and complex: the tracks must be self-draining and non-corrosive and the wheelchairs are to have ingenious hydraulic attachments to counter the heel of the boat. Research and design work are already far advanced, and about £250,000 has already been collected towards a target of £2m, even before the fundraising campaign has fully got under way. It is hoped to lay the keel this year, with a view to completion late in 1982. Of the two projects Jubilee has distinctly the better chance of coming into being.

If all goes well, the building of *Sirius* would begin at about the time Jubilee goes into service. The scheme was conceived by Jonathan King, a descendant of one of the officers in the First Fleet. The idea of such re-enactments has become familiar since the *Mayflower*, the *Nonpareil* and the *Golden Hind*, which recently completed a successful voyage round the world. There is probably no other yard anywhere with equal experience of this kind of work.

Jubilee, by contrast, makes no unnecessary concessions to history. Designed (like the *Royalist*) by Colin Mudge, one of our foremost yacht designers, she would have a fast, stable, light-displacement sea-trial. Her rigging would be wire, instead of hemp, her sails durable synthetic fibre instead of time-honoured flax.

The sail area will be smaller than those of *Sirius*, but then the hull will need less driving force. If ever the two do meet and try out their paces against each other—and I trust I shall be there to see it—I would put my money on the wheelchairs every time.

George Hill



Sirius on her voyage to Australia in 1788: now another eight months' voyage is planned

SLOPPINESS, THE PREROGATIVE OF PRESIDENTS

You can tell a lot about a country from its ritual. The inauguration of President Reagan last week was compared by many commentators to a coronation, but the differences between the two ceremonies are more revealing than the similarities.

In a coronation parade the monarch himself takes part and is the chief focus of interest. He is graciously showing himself to an adoring people—or if they are not in truth adoring they know enough to pretend they are.

At the inauguration, the president watches. After a short drive in an open car from the Capitol to the White House he joins guests in a glass-encased reviewing stand (it is, after all, January) and sits in the warm, watching the parade go by.

He is not on display. Unlike a king a new president had to show himself to the people often enough when getting elected. Now, having reached the summit, he is allowed to sit down and be entertained.

Another important difference is the time-keeping. At every royal occasion I have witnessed the timetable has been kept to meticulousness. (When it is not, as in Morocco, it is a matter of considerable comment.)

Nobody expected the inaugural parade to start on time at 2.30, and it did not. It was an hour late and finished only when dusk descended. Louis XVIII said: "Punctuality is the politeness of kings." He did not say that being late is the prerogative of presidents, but it is.

Taking part in the inaugural parade is a privilege much prized by the high school and university marching bands which, with military units, make up most of its length. Of 600 organizations that applied to take part, only 66 were invited. Twenty were mounted, to celebrate Mr Reagan's equine interests.

Some of the expected participants in the parade failed to arrive. There were supposed to be four regional floats representing the Atlantic states, the South, the northern states and the West. Only two of them made it. The West was prevented from coming by unexplained "logistical problems", while the northern states could not raise the money to build a float at all.

The air of sloppiness and confusion that permeated the whole affair derives partly from there being no firm rules and few useful precedents for

a presidential inauguration. The only part constitutionally required to happen is the swearing-in, which takes a few seconds.

The speech has been traditional since the first inauguration, that of George Washington in New York in 1789. The parade is optional, as is the drive from the Capitol to the White House. Mr Carter, four years ago, walked.

The social events surrounding the ceremony vary in style from president to president, and this year were notable for the ineptitude of the organization. Contributors to the Reagan cause had written for tickets to the events weeks ago, but the computers to which they wrote failed to respond efficiently.

The consequence was that the eve-of-inaugural weekend saw hundreds of the most powerful people in the land queuing meekly (some more meekly than others) in the Union Railway Station in Washington, euphemistically renamed the "Ticket Resolution Centre".

Even those who achieved resolution did not always manage to attend the events for which they had the tickets. The computers had overestimated

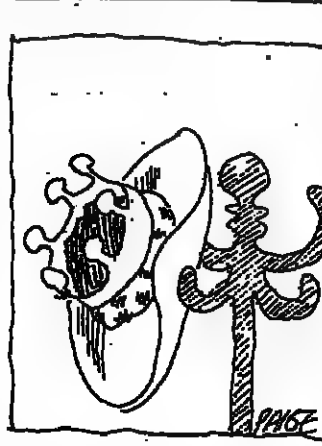
the capacity of the hotel ball-rooms where the eight inaugural balls took place and fire marshals prevented some ticket-holders from entering on the ground that the rooms were dangerously full already.

Newspapers reported the pathetic spectacle of well-heeled society folk, dressed to the nines, clawing at security guards for admission to private boxes for which they had paid up to \$2,000. Many went home disappointed, vowing to claim refunds.

The casual attitude permeating the affair extended to what people should wear for the inaugural ceremony itself. Mr Reagan and other men with major roles wore something described incorrectly in many places as morning dress.

It looked like a morning coat—a cutaway jacket with tails—but was in fact something called a stroller, with which I was hitherto unfamiliar. None of my American dictionaries included the word except in its meaning of a baby conveyance (in British English, a pushchair).

Riffling through books of etiquette at my local bookshop I found one reference to a stroller as a grey cutaway jacket worn at superior weddings. I



could not see if Mr Reagan's was grey, for the same reason that I could not admire the sensational raspberry-red dress that Mrs Reagan was reported as wearing. (Memo to Mr Murdoch: When you get round to introducing the new technology please start with a colour television set for the New York office).

Mr Reagan looked perfectly sweet in his stroller, although it might have been better to wear a grey topcoat with it, and somebody claimed that his tie was not done up properly. Yet apart from co-stars such as Vice

President Bush and the outgoing President, Mr Carter, few other men obeyed the presidential dress code. Most were wearing ordinary lounge suits, a further expression of the national rugged individualism.

This Inauguration Day had a special quality because of the freedom of the hostages from Iran, which happened some 40 minutes after President Reagan took the oath of office. Television was thus able to switch constantly from Washington to New York to Germany and in voice only, to Iran.

There was fevered speculation about the reason for the 24-hour delay between the signing of the agreement and the release. Some thought it was another example of Iranian vindictiveness, their unwillingness to let President Carter have the satisfaction of the release during his term as President. It would have been in character with what later emerged about the mistreatment of the prisoners by their captors.

Another theory, offered with tongue only partly in cheek, was that bankers in London and elsewhere had been baffled by the term "escrow account". As part of the agreement, such

an account was to be opened for the deposit of part of the disputed Iranian funds.

I had not heard the term until I came to live in the United States, where it is commonplace, due to the national passion for litigation. When a sum of money is in dispute between two parties it can be placed in an escrow account and cannot be touched by either party until the legal position is resolved.

I have been paying part of my rent into an escrow account for the past several months. My tenants' association objected to a rent increase and sued. I still pay the increased sum but the landlords, in theory at any rate, do not yet have access to the disputed money.

Of many hours of television discussion about the hostages last week, some of the most interesting was over the role played by press and television in whipping up national anger and emotion, encouraging sympathy for the victims' relatives. During the 444 days of their captivity the hostages were seldom off the front pages or the nightly television news for more than a few days at a time. There was no chance anyone would forget them.

Mr George Will, a conservative columnist, said he thought the State Department had deliberately orchestrated this kind of coverage. The administration were using the press to stir emotion and rhetoric which, in the absence of any cogent plan to free the prisoners, was their only weapon against the Iranians.

Certainly the State Department did not discourage wives and families of the hostages from attending meetings and giving press interviews. They did so for the most part with dignity and skill.

We saw the result last week, the explosion of relief and jubilation heightened by optimistic thoughts about new beginnings that always go with a presidential inauguration. Then came the anger at the reports of ill-treatment, to be followed by the final outburst of joy when the hostages reached American soil.

The inauguration parade was like the hostages' release: though bungled, delayed and poorly organized, it got there in the end. The American way.

Michael Leapman

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BUSINESS NEWSThe publicity
your
product needs,
page 16

Stock markets	
FT Ind 455.7	FT Cilt 69.09
Sterling	
\$ 2.4070	DM 2.0317
Dollar	
Index 87.3	DM 2.0317
Gold	
\$ 532.50 down 56	
Money	
3 mth sterling 14.14-14.2	
3 mth Euro 181.18-181.2	
6 mth Euro 175.17-175.2	
Friday's close	

British Steel in
pricing dispute
with independent
stockholdersBy Peter Hill
Industrial Editor

The British Steel Corporation's attempt to recover its share of the United Kingdom market lost to foreign suppliers through new policies within its steel stockholding company has produced tension between itself and independent stockholders.

The corporation is attempting to meet targets set by Mr Ian MacGregor, its chairman, by aggressive marketing and pricing policies, combined with quality and delivery improvements, to help it to regain the 54 per cent share of the United Kingdom market which it held before the 13-week national strike last year.

British Steel Service Centres, the stockholding division which accounts for between 10 and 12 per cent of all steel sold in the United Kingdom, according to the corporation, has been cutting its prices by as much as £20 a tonne on a wide range of products in an attempt to reduce imports and boost the order books of British Steel's own mills as competition from foreign steel producers lessens.

But there is growing pressure for the corporation to revert to its more distant relationship with its stockholding company, and friction has already prompted some resignations from the National Association of Steel Stockholders.

Other companies have taken defensive action and a group of smaller stockholders concerned is said to have established a consortium through which it can buy and distribute cheaper foreign produced steel.

Even manufacturing companies which have remained loyal to British produced steel and to United Kingdom stockholders are finding it increasingly difficult to resist the cut prices.

"There could be one hell of a battle if the British Steel Service Centres does not change its policy because smaller companies will be forced to boost their imports," one stockholder said.

Despite the new policies stockholders and customers are still turning to cut-price offers from overseas which could threaten the corporation's survival plan.

Last year steel imports rose to record levels, reflecting industry's problems, many of which resulted from the effects of the strike.

Many traditional customers have negotiated supply arrangements with foreign steelmakers.

and such deals have become more commonplace as European makers grapple with continuing overcapacity and have sought to exploit the strength of sterling.

Imports now account for more than a fifth of all steel sold in the United Kingdom and the strength of the pound has cut British producers' competitiveness by between 35 and 40 per cent.

But even with the heavy discount reductions on list prices now being offered by British Steel, its stockholding subsidiary is finding it nearly impossible to compete with the low prices offered by other EEC producers.

It was because of the severe overcapacity and the ensuing price war last summer that the EEC Commission invoked previously unused powers last autumn to stabilize the market and lift prices through a system of mandatory production quotas.

Although there have been signs of prices of some products becoming firmer in certain markets, especially in Germany and France, it is clear that the United Kingdom market has still to feel any real benefit and remains the principal battleground.

Certain grades of steel from overseas are being sold in Britain at prices between £30 and £40 a tonne below even the discounted prices offered by the corporation.

Competition is intense because companies have run down their stocks as a result of the recession and a further fall in consumption of between 5 and 10 per cent is expected this year.

West Germany is said to be delivering hot rolled steel coil to United Kingdom customers at prices of about £150 a tonne compared to a British Steel list price of £170 a tonne. The main product, produced in Bulgaria, is being offered at about £135 a tonne. Compared with United Kingdom list prices of between £190 and £200 a tonne, imported steel plate is being offered at £150.

In the more specialized steel sector, the differences are even more dramatic with imported stainless steel coil being sold at between £800 and £900 a tonne against British Steel's official price of between £1,100 and £1,200.

The present EEC measures are scheduled to run to the end of June, but British Steel will almost certainly press for an extension. The Government has promised to review the corporation's funding and provide further subsidies from taxes.

'Radical' policies urged to stimulate business

By John Huxley
and Peter Norman

The Institute of Directors has called for more radical and adventurous policies to stimulate the creation and growth of business in a letter to Sir Keith Joseph, the Secretary of State for Industry.

It urges Sir Keith to use his department as a "lobbying force" to persuade the Treasury and the departments of employment and the environment to accept the need for such policies.

Mr Walter Goldsmith, the Institute's director-general, has submitted an 18-point programme, which he describes as laying down "the only long-term way to fight the now

frightening and rising unemployment levels and to create real wealth and jobs for the future."

The points will be discussed at a meeting between Mr Goldsmith and Sir Keith on Wednesday.

Among suggestions under the "industrial" heading, the institute calls for the immediate repeal of all statutory monopolies and for publicity to be given to opportunities now available for the easing of some monopolies already.

It hopes that private enterprise may benefit from opportunities now available to provide rural and outer suburban passenger services.

"Assistance under the Indus-

try Acts which simply subsidizes established undertakings to compete with new ones should be abolished," it says.

Sir Keith is urged to press for the outlawing of the insertion of trade union membership clauses in public sector contracts and to consider the abolition of minimum wage legislation.

More than half of the points raised by the institute are fiscal. They include a general lowering of marginal rates of income tax, and the abolition of capital gains tax and development land taxes.

The value-added tax turnover threshold should be raised to £200,000, and relief for risk investment in independent

trading companies by high earners should be introduced.

It would be misleading to concentrate on "businesses" as such to the exclusion of the individuals who might start them or make them grow.

"Positive discrimination in favour of small businesses may stimulate the birth of new enterprises but place artificial constraints on their growth when they cease to be defined as small," the letter says.

The impact of Government in encouraging growth might be as much psychological as real. "Cherished principles may require sacrifice in order to create a new boost, real and psychological, for self employment," it says.



Mr Walter Goldsmith: submitted 18-point programme.

Institutions
may meet on
Fraser deal
with Lonrho

City institutions, which hold 40 per cent of the shares in the House of Fraser, are expected to meet this week to consider their attitude to Sir Hugh Fraser, the chairman, after his reconciliation with Mr Roland "Tiny" Rowland, the Lonrho chief executive.

Lonrho has 29.9 per cent and Sir Hugh's family trusts own 3.5 per cent.

A letter sent by Mr Rowland to S. G. Warburg, House of Fraser financial advisers, last week, seems to have precipitated events. A House of Fraser board meeting on Friday held at Warburg's was not attended by Sir Hugh or Mr Rowland or Lord Duncan Sandys, the Lonrho representative.

Rebuff for PLO

A special committee of the World Bank and the International Monetary Fund meeting in Wellington decided against changing the voting system which prevented the Palesine Liberation Organization attending last year's annual meeting of the two bodies.

Britain 'moving up'

Britain is expected to move up the world economic league from eighth position in 1980 to fourth this year because of a large current account surplus and falling inflation, stockbroker Phillips and Drew forecasts.

United fund boost

West Germany has decided to sign the United Nations Conference on Trade and Development international agreement on a raw material intervention fund with an expected contribution of DM47m (£9.7m).

Scots bank pay talks

Scottish bank workers' leaders began talks yesterday to decide on this year's pay claim, likely to be not less than the 20 per cent which their English counterparts have asked for.

Rubber potential

With oil prices driving up the price for synthetic rubber, Malaysia, Indonesia, Thailand and other natural rubber producing countries have a greater market potential for their output than at any time during the past two decades, a World Bank report said.

Factories contract

Wilson Construction of Northampton has been appointed by the Commission for New Towns to develop 19 nursery factories on the Earlsfrees industrial estate in Corby under a £1.1m contract.

Chrysler halts closures

Chrysler has cancelled the scheduled temporary closure of three car assembly plants in Newark, Detroit and Belvedere, Illinois, because of rising sales.

French prices up

French retail prices rose 0.9 per cent in December after a 0.7 per cent November gain, to give a year-on-year rise of 13.6 per cent against 13.5 per cent previously.

Credit for Malaysia

Britain has agreed to provide Malaysia with a MS394m (£73.9m) three-year mixed credit package for development projects.

Bonn reserves fall

West Germany's net monetary reserves fell to DM800m (£165.66m) in the second week of January, to DM67,300m.

Norway oil output

Norway produced 49.5 million tons of oil and gas last year, up 20 per cent on the year before.

3,000 jobs at
risk if BL
closes plant
in Belgium

By Clifford Webb

There is growing speculation in Belgium that BL is about to announce the closure of its assembly plant for Allegros and Minis at Senefte with the loss of all 3,000 jobs.

The future of Senefte, which also undertakes pre-delivery service for most of BL's European markets, has been under review since September, 1979.

It has been particularly hard hit by the present recession in car sales and has been working only one week in four for several months.

The plant was opened in an area of high unemployment in 1963 and extended in 1970, 1972 and 1976.

At one time it was planned to switch all Allegro production from Longbridge to Senefte to clear the way for Metro, but the recession and the limited life remaining for the larger car killed the move.

It is also believed that Senefte's costs are no longer competitive with the new automated facilities at Longbridge which produces the Mini, Allegro and the Metro.

Senefte's biggest contribution to BL sales in Europe was the high quality of its largely hand-built cars. But even this has now been overtaken by improvements at Longbridge.

A BL source said last night: "There is something like 30 to 40 per cent excess car capacity in Europe at present and all the signs point to that continuing for the rest of 1981."

"It is against that depressing background that the future of a number of car plants is being examined by motor manufacturers."

Confederation says scrap trade
is facing battle for survival

By John Huxley

The scrap industry, which handles metals, textiles and paper, faces a fight for survival, the British Reclamation Industries Confederation said yesterday.

There has been a big drop in demand for scrap as a result of the sharp fall in manufacturing activity, and prices have slumped.

Mr Colin Doland, executive director of the British Waste Paper Association, estimates that prices paid for the main grades of packaging has fallen by 42 per cent in the past six months. Textile waste merchants report a similar drop.

The industry is loosely organized, with some companies moving in and out according to the state of trade. But the BLIC believes that more than 1,000 jobs, out of a total workforce of 16,000 were lost in the year to April, 1980.

Mr Eric Cross, the president, says that since then "the roof fell in" and the rate of redundancies has accelerated.

"Our main worry now is whether this time next year there will still be a reclamation industry worth talking of."

"We are fairly resilient, but there comes a time for most companies when they simply have to close the door. If they do, they will be a number of companies disappearing."

Last year, the scrap industries handled materials worth about £850m. Of this, scrapbreakers and scrap metal dealers accounted for almost £700m.

The quantities of material handled have fallen drastically and the confederation says that the only relieving feature of present trading conditions is an increase in the volume of exports.

Even so some members are beginning to report that this is being adversely affected by the strength of sterling.

Meanwhile, the confederation has expressed its concern at the Government's decision to scrap the Waste Management Licensing Act, without making clear alternative arrangements by which the industry can make its views known.

The council, regarded as an important part of the former

Labour administration's conservation policy, was abolished last week by Sir Keith Joseph, the Secretary of State for Industry.

It had not met since the Conservatives came to power. The reclamation industry does not lament its abolition, but it is concerned that the Government should decide which department will handle its affairs.

At present there is some doubt whether these fall within the remit of the Department of Industry or the Department of the Environment.

The confederation believes that it should deal with the former, maintaining that reclamation is an industrial and commercial matter more than a matter of conservation.

It has already taken up—but with no success so far—the question of rates charged by local authorities for removal of scrap with the Department of the Environment.

The confederation wants these rates put on an economic basis. At present, local authorities are undercutting confederation members.

Community talks on Tokyo curbs

Tokyo, Jan 25.—An EEC Commission delegation to Japan will begin talks on Monday on curbing Japanese exports to the Community, particularly cars and electronic products, and allowing European companies to increase their sales in Japan.

The delegation, led by Mr Roy Denman, director general, External Affairs, follows a mandate given to the Commission by last November by EEC governments to negotiate in the hope of avoiding an all-out trade war.

The EEC had a trade deficit with Japan in 1980 of \$10,000m (\$1,484m) against \$7,100m in 1979.

Japanese car exports to the Community rose 19 per cent in the first eight months of 1980 to \$1,600m.

The EEC delegation will say that Japan does too little to encourage European exports and in some cases puts up effective barriers against them.

EEC exports to Japan fell by 2 per cent in value in the first six months of 1980.

"This is a trend which needs to be radically altered, if calls for protectionist measures by European industrialists are to be resisted", a Commission official said.

But one Japanese diplomat said: "The Community is looking for a guarantee that we will increase EEC imports. But how can we give this? No country would."

But he added the Japanese government was prepared to restrain some exports and would not try to cover its oil import bill with a sales drive in EEC markets. And the increased value of the yen would help moderate Japanese exports.

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Safeguards
sought for
engineering
proposals

By Derek Harris

In a final attempt to secure important modifications to the charter proposed for the Government's new "watchdog" body for engineering, the Council of Engineering Institutions (CEI) has told the Department of Industry that the profession's support of the charter depends on four key issues being resolved.

The CEI, which would be largely superseded by the Government's proposed Engineering Council, is particularly worried about a section of the proposed charter that could tie the new council to Whitehall, despite it being set up under the aegis of the Privy Council.

The CEI is also looking for specific safeguards for some elements of self-regulation to be retained.

The CEI's objections indicate a final round of tough bargaining over the structure of the Engineering Council which Sir Keith Joseph, Secretary of State for Industry, is anxious to launch within about two weeks.

Its first chairman and governing body will be in place on 20 February, and Sir Keith will be appointed by Sir Keith.

The credibility of the launch could be impaired if a dissatisfied CEI refuses to cede the power of awarding professional titles, including that of Chartered Engineer (C Eng) to the new council.

Not all of the CEI's constituent institutions have equally strong opinions on the four key issues. Some are making their own separate representations to Sir Keith.

The institutions appear united on opposition to a section in the charter which lays down that the new council will not only have to "take note of any advice or request" given by ministers, but will also be expected to "use its best endeavours to comply with such advice or request."

The Department of Industry has apparently argued that this would not prescribe the independence of the new body but only formalise its relationship with the Government.

The CEI is also apparently not happy about the new council's powers in setting standards and criteria for education, training and the practical experience of engineers wishing to go on a register, which the new council may take over from the CEI.

It is also worried that the C Eng title would denote only technical competence—rather than carrying the present connotations of professional competence and commitment.

The fourth issue is that of self-regulation, which the CEI believes could be denied to the profession for good, without specific safeguards, even though the new council after three years would become more self-governing in terms of structure and appointments.

University scheme: The Science Research Council is putting £309,000 into a three year pilot scheme at the University of Warwick, Coventry, to increase the status and supply of top grade engineers (Clifford Webb writes). BL and Lucas Industries, two of Britain's biggest industrial groups, are cooperating on the scheme, where 60 graduates already employed by the companies will spend about one third of their time at the university.

These issues will be discussed further at a meeting of the CEI and the Department of Industry on February 7.

Free enterprise advocate will head Council of Economic Advisers
Reagan appointment cheers private sector

President Reagan could not have found a better way of underlining his commitment to reduce regulation of business and provide strong new incentives to free enterprise, than by selecting Mr Murray L. Weidenbaum as the new chairman of the White House Council of Economic Advisers.

Mr Weidenbaum, aged 53, an economist, has held assorted government positions and was assistant secretary of the Treasury for economic affairs in the early 1970s.

He has in recent years been director of the centre for business studies at Washington University in St Louis, and has been extensively on the effects of government regulation of business.

He will, of course, give advice on all economic policy issues, is likely to be a strong advocate of cuts in public spending and cuts in taxation, and believes that the greatest national benefits can arise from allowing free market competitive forces to operate as fully as possible.

Mr Weidenbaum's greatest influence

will almost certainly be in the regulatory area, because he is unlikely to differ significantly on macro-economic policy with Mr Donald Regan, Secretary of the Treasury, or Mr David Stockman, Director of the Office of Management.

Not long ago Mr Weidenbaum wrote an essay for a book published by the Hoover Institution at Stanford University called "The United States in the 1980s" that summarized his views on regulation.

The rising tide of regulation had become a barrier to productive economic activity, he wrote. And Federal regulation of business exceeded \$100,000 (£42,000).

The government's regulatory apparatus was cumbersome and costly. Regulation created more unemployment, higher inflation, reduced capital formation, lower productivity and a slowdown in technological innovation, Mr Weidenbaum said.

"Regulation is not working. It is not a question of begrudging a few more billion dollars for job safety, consumer health, and so on. Rather, the point is that the

typical regulatory programme is not effective in reaching these worthy objectives. Virtually every study of the regulatory process reaches that conclusion."

Mr Weidenbaum sees the merits of many regulations and he is no dogmatic authority determined to eliminate all regulations at a stroke.

In his essay he suggested that economic impact statements should be required that clearly showed the negative as well as the positive effects before each new regulation was issued. He called for thorough, regular, congressional reviews of the activities of all 55 regulatory agencies to determine whether they were still needed.

The costs of the agencies should be included in the budget, which is not now the case, including cost estimates of the business effects of existing regulations. Finally, he advocated a searching study of alternatives to regulation, such as voluntary efforts.

Frank Vogl

KELSEY
INDUSTRIES LTD.

Statistics from the Report of the Chairman, Mr J. G. Moss, and the accounts for the 12 months to 30 September 1980.

	1979/80	1978/79
Turnover	£24,771	£23,097
Direct exports	8,258	8,338

MANAGEMENT

Does your product get publicity it deserves?

The activity of public relations has few admirers. For many firms it is little more than a back-stop to be used in the event of the factory blowing up and the local inhabitants requiring mollification; and for journalists it is the source of an unending stream of otiose press releases.

So it may come as a surprise to the detractors of PR to learn that, properly used, it is an efficient marketing tool capable of performing the positive and unexceptionable task of selling goods and services.

For a long time the business world has recognized that editorial publicity has greater credibility than paid-for space in the form of advertisements, but there has been insufficient awareness of how to exploit that opportunity. Usually a blanket announcement of some new product, development, or achievement is widely and indiscriminately disseminated with the result that little appears in print other than a few mentions in the trade press. Similarly, journalists, though invariably delighted to be fed and watered at someone else's expense, have grown wary of lavishly mounted press conferences convened to reveal nothing of much consequence.

That this wasteful and baphazard use of PR should persist is surprising given that most firms would never dream of applying such a scattergun approach to their advertising. The techniques of splitting up the market into various segments—using such criteria as age, sex, income and social class—and defining the target audience for a campaign are well developed and widely used.

Media scheduling and buying are prized skills in advertising agencies, and their clients expect to be delivered value for money. Why, then, are those same clients prepared to settle for less from their PR consultants? In part the answer is that PR is much less expensive than advertising and therefore there is less at stake, but there is also



Mr Paul Clark, advertising director of Van den Berghs: "The more ingenious you are, the more the media are likely to listen."

the feeling that PR is inevitably a vague and inchoate activity, the benefits of which are intangible when they are not negotiable.

There are signs, however, that this attitude is changing. For one thing, PR is no longer cheap. The average annual fee was about £10,000 a few years ago but is now more likely to be anything from £20,000 to £50,000. PR agencies are having to be more sophisticated in the services they supply.

Leading consultancies have been applying the marketing techniques of segmentation and targeting to PR, with the specific aim of increasing the sales of clients' products. But there are still too many top managements who are aware of PR but not of the totality of what it can accomplish.

says Mr Bob Leaf of our agency, Burton Marshall.

A notable exception is Van den Berghs, the country's largest manufacturer of margarine and part of the Unilever group. For almost ten years Van den Berghs has supplemented its advertising programme by the judicious use of PR, though Mr Paul Clark, the firm's advertising director, prefers the term "publicity".

"PR is difficult to define," he says, "it's there all the time. But publicity does not happen unless you do something."

Van den Berghs first turned to this form of promotion in the early seventies when it launched Flora, a margarine made of polyunsaturated fat, and therefore believed by some doctors to be safer than competing products, particularly butter, which has a high cholesterol content and may contribute to heart disease.

"However," says Mr Clark, "the rules governing the advertising of health products are, quite properly, very stringent, and we found ourselves unable to communicate what Flora was about in the normal way. Nevertheless, we wanted to get the story of polyunsaturated fats through to the public."

The answer was to stimulate interest by placing articles in the press and by holding public meetings and seminars where medical experts discussed the issues. "We achieved our objectives," says Mr Clark. "And it was a perfectly legitimate way of getting our message across when we were precluded from doing so by advertising."

In fact, the techniques proved as successful that Van den Berghs has since extended its use to other products in the range. The company strongly believes in segmenting the marginal market, and each brand is vested with a particular attribute. Thus Flora is for health; Quilbin for slimming; Blue Band for spreading; Stork for taste, and so on.

Targeting follows from the segmentation. Van den Berghs has, for example, spent heavily on promoting Out-line in slimming clubs and magazines. And even though Blue Band lacks the same kind of clearly defined audience, the Blue Band Bureau was set up to generate articles about nutrition and thereby link the product with sensible eating habits.

The important thing, says Mr Clark, is to make sure that you have something of genuine interest to say. "The more ingenious you are, the more the media are likely to listen," he adds. "And the more likely they are to accept your building your brand into the story."

"We believe in getting out a media schedule for publicity just as we do for advertising. We prepare a clear and defined publicity brief, using exactly the same tools, strategy and research as we do for an advertising campaign. So we might say, for example, the target audience for this product is likely to read Under 21 or whatever, and we will try to get an article in that publication."

As far as we are concerned there is no question of scattering out the same information to everyone. One story in one publication can have more effect than a whole load of press releases; but some people have not caught on to that yet.

Mr Clark emphasizes that publicity is not a cheap nor easy alternative to advertising. "It is a second layer of communication," he says. "They go together and we do them as a whole. But you have to accept that publicity is very time-consuming—you must always be looking out for an opportunity to generate a story—and it does not produce quick or easily measured results."

Even so, it seems hardly likely that a firm of the standing of Van den Berghs would have resisted with a sales technique for almost a decade if it were not proving effective.

Iain Murray

LETTERS TO THE EDITOR

Cause of the decline in textiles

From Mr Ira Brown

Sir, There have been several recent letters on the Multi-Fibre Arrangements (MFA).

Detailed examination of the more salient facts indicates that the present problems of the British textile industry are only partially caused by imports from MFA signatory countries. The real problems lie elsewhere.

It should be remembered that the MFA was designed to help developing countries by permitting 6 per cent real annual growth. But the last arrangement was, in effect, used to curb exports from developing countries below the expansion rate originally envisaged.

In this country demands are now being made, because of substantial imports, for a tougher successor to the present MFA. But according to a draft commission communication, overall growth from MFA countries from 1976 to 1979 was restricted to 4 per cent (well below the agreed figure). Group 1 products, the most sensitive category, accounted for 56 per cent of MFA goods—rose by only 1.9 per cent.

Total imports into the United Kingdom by volume increased by 35 per cent in the 1976-77 period, but imports from low-cost suppliers grew by 19 per cent while those from developed countries increased by 58 per cent. Moreover,

the biggest growth in the low cost category was of imports from outside the MFA framework.

It is being implied that the reduction in the labour force in the textile industry is mainly due to low-cost imports; but this is not borne out by the facts.

The United Kingdom Government Service Working Paper (January 1979) in respect of changes in employment in Britain for the years 1970-75 shows that Britain's textile and clothing industry sustained a total net loss of 140,000 jobs. Of these, a net 65,000 were lost as a result of imports but 75,000 or 67 per cent were attributed to imports from developing countries.

A study of West Germany's textile clothing industry reveals a similar result. Between 1962 and 1975 there were 908,400 job losses of which 285,000 were due to imports (215,000 from developed countries and only 70,000 from developing countries), and the remaining 623,400 resulted from improvements in productivity.

The first Multi-Fibre Arrangement was negotiated under the auspices of the General Agreement on Tariffs and Trade (GATT) in January 1974 as a successor to the Long Term Arrangement which ran from 1962. While much has been done, 19 years would seem to

be a long enough period for the industry to put its house in order. Other Western countries have managed it. For example, the Italian garment knitting firms have based a dramatic recovery on design and one cost reduction. The Germans now have production ranges containing a high proportion of specialized difficult-to-make fabrics; the low-cost Dutch carpeters, while Denmark is concentrating on high-class clothing sold mainly within the EEC countries.

One can write many pages of facts and figures on this subject but I hope I have quoted sufficient to show that the present decline in the textile industry is only partially due to imports from developing countries—which therefore do not need even greater restrictions placed on them—and in the main is due to improvements in productivity and to imports from certain developed countries, such as the United States.

Although employment in the United Kingdom clothing industry continued to decline in the years between 1973 and 1978, it is to their credit that, in the same period, with a reduced workforce, productivity increased substantially. E. IRA BROWN, Director, British Importers' Association, 69 Cannon Street, London EC4N 3AB.

British Telecom monopoly

From the Chairman of the British Insurance Brokers' Association

Sir, Insurance brokers are very concerned about the absence of any provision in the British Telecommunications Bill now before Parliament to deal with the Post Office monopoly in relation to telecommunications equipment. Following the Government statement on July 21, 1980 we had expected the Bill to relax the present monopoly but instead it could result in the position becoming even more restrictive.

Your readers will be aware of the very large contribution to the country's balance of payments made by insurance brokers. In 1979 the direct contribution was £206m and in addition there was an indirect contribution in that all the business placed in the Lloyd's market, which contributed £333m and a large though unspecified proportion of the insurance companies' contribution of £368m is obtained through brokers.

Virtually all of this overseas business is negotiated by tele-

communications and is very large indeed. It is conducted under conditions of tremendous competition with other overseas insurance markets.

At present the service provided by British Telecom in terms of choice and equipment and especially time and quality of installation and maintenance is deplorable and far below that available to our competitors overseas.

Commercial competition in the supply, installation and maintenance of equipment is essential if the present situation is to be rectified and the present Bill is the obvious vehicle. If this opportunity is not taken London's position as an international insurance market will be seriously damaged and our contribution to the balance of payments substantially reduced.

IAN FINDLAY, Chairman, The British Insurance Brokers' Association, Fountain House, 130 Fenchurch Street, London, EC3M 5DJ.

Discomfort from monetarism

From Mr Andrew Wingfield

Sir, Professor Galbraith (January 20) rightly points out that with the introduction of any new aircraft design, any medical or surgical procedure, problems will be encountered, particularly if they do not work. He goes on to draw a similar parallel with the present implementation of monetarist policies in Britain and the United States.

By a similar token, does he not accept that any "new" procedure requires a period of refinement, adaptation and development before its full benefit can be realized? Without such a period I suggest that such innovations as Concorde, open-heart surgery and kidney transplants would not have progressed further than their initial shortcomings; although both passenger and patient may have experienced some discomfort in the process! ANDREW WINGFIELD, University of Bristol, 19 Arlington Villas, Clifton, Bristol.

How your buying department could save you a fortune

Purchasing methods are again coming under scrutiny as part of manufacturing industry's drive to cut costs. Henley Management College and the British Institute of Management (BIM) both note the disproportionate increase in cost of sales revenue in manufacturing industry, the departments responsible have traditionally carried less status within companies compared with production or marketing functions.

While there has been a general tightening up since high inflation placed new emphasis on cost control, the BIM has found that 35 per cent of companies still make no assessment of the performance of their purchasing departments.

effect on profitability as a 10 per cent increase in sales. The aim of both organizations is to stimulate companies into improving the efficiency of their purchasing activities. Although the purchase of materials and components typically accounts for 60 per cent of sales revenue in manufacturing industry, the departments responsible have traditionally carried less status within companies compared with production or marketing functions.

Only half the 208 organizations surveyed for this report identified the contribution of purchasing departments to company profits. The BIM recommends that purchasing should be incorporated more into long-term strategic planning. This would mean a major switch from the present role of the many purchasing departments which merely confirm purchase orders in respect of agreements made by other staff.

The report suggests that reporting procedures dealing with cost reduction and cost avoidance in purchasing should be developed within companies. It lists 17 methods—which it describes as by no means exhaustive—by which costs can be reduced.

These include specification changes, substitution of materials, and savings on inter-company purchases. On cost avoidance, it offers three methods of dealing with price increases requests from suppliers. There has been some improvement in status of purchasing executives in the past 20 years, according to the BIM. One yardstick is the job title. BIM finds it encouraging that the title of "purchasing officer" has largely given way to that of "purchasing manager". Another improvement is in the reporting procedures. In 36 per cent of organizations the head of purchasing reports to the managing director or chief executive and in 5 per cent he reports directly to the board of directors.

Patricia Tisdall

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BY THE FINANCIAL EDITOR

Resurrection of the convertible gilt

The monetary authorities' quest for improved methods of funding the Government's borrowing requirement continue, though whether Friday's news of a fresh attempt at a convertible gilt-edged issue is a step forward or backward is a moot point.

It all depends how you look at it. The authorities can argue that they could finish up with 11-year money at a cost of somewhere between 12½ and 13½ per cent compared with the 14½ per cent they would have to pay on a conventional 11-year issue. They could also argue that if things do go wrong and the stock is never converted, then nothing much will have been lost.

The counter-argument is that there is a potential hidden cost to the operation, namely that Government success in lowering inflation and interest rates could make the conversion terms look ridiculously favourable to the investor at some later stage.

Were investors to pay significantly over the odds for the stock as a straight four-year issue next Wednesday, that would certainly reduce the strength of this argument. But it remains to be seen if that will be the case, especially if some funds take the view that convertible stocks present actuarial valuation problems.

Meanwhile, the Bank will be holding exploratory talks with a number of City experts this week on the possibility of introducing new short dated funding instruments, such as one-year Treasury Bills.

The aim presumably must be to devise an instrument that is attractive to the bank sector. But there is some doubt as to where the market for such an instrument may lie. The Government's main need at the moment is to drain the main pockets of "excess" liquidity in the economy, and those are probably the personal sector and some parts of the corporate sector, such as the oil companies.

US banks

Divergent trends

Unlike British banks, the 14,000 American banks are showing no clear and regular trend in their results.

Last year was the time for Texan banks to show their prowess. Most of the reported profits up by 20 per cent and over while other banks, some in New York and others in the older industrial areas, were announcing poorer results.

Results last year were especially mixed for the large money centre banks because in addition to regional economic factors not all of them got their financing right as interest rates fluctuated wildly.

One of the major casualties of this has been Citibank which after many years of rapid growth saw its profits cut by around two-thirds in the last quarter of the year—excluding non-recurring gains. Even the full year net profits fell from \$544m to \$507m.

Citibank was hard hit on its consumer loans because until some six weeks ago New York regulations prevented charging "usury rates", which when the cost of money is high can do untold damage to a bank. The other reason is that Citibank seems to have been less skilful in managing its financing, expecting interest rates to fall when the opposite actually happened. The other major bank which has been badly hit has been First Chicago where management problems and bad funding combined almost to halve profits to \$55m.

But other banks which have recently reported including Chase Manhattan, Bankers Trust and Continental Illinois have weathered well interest rate fluctuations and made good gains.

This was achieved in spite of an extremely competitive international business where margins were often wafer thin on some lending.

But banks have been hard put to match by profits growth the erosion of their asset base. Texas banks were the exception thanks to the booming economy of their region, some of the smaller regional banks in fast growing areas such as Arkansas did well. But the large money centre banks generally did not.

One of the generalizations that seem possible to make about American banking

is that customers are more sophisticated and seem to be always ready to switch accounts to high earning deposits faster than in the United Kingdom. Even so PE ratios for bank shares stand on average a shade over 5 and yield 6 per cent.

The concern is that—except for Texas—even banks which have been reporting progress have not been matching the levels of inflation.

Birmid-Quilcast

Heat in the foundry

Birmid Quilcast's shares yield an historical 23.8 per cent at 24p. There is little doubt that the year's results due next month will be cut if not omitted. Some forecast that Birmid will make a loss before exceptional costs relating to closures, despite a £4.8m pretax profit in the first half.

Besides making Potterton boilers and lawnmowers, Birmid is one of the largest independent foundry companies in Europe and this is where its main problems lie. Last week it announced it was on the point of selling Trucast—a subsidiary making steel investment castings—having received a tempting offer from one of Trucast's suppliers. But it has been ferocious rather than steel foundries where Birmid has been suffering most.

The group must be thankful that Massey-Ferguson has been saved by its bankers but it has been badly hit by the recession in the tractor industry and of course by the problems of the domestic car industry which it has traditionally been a major supplier of ferrous castings.

Last month Birmid announced two more foundry closures making a total of six in about a year and a half at a cost of over 2,400 jobs. The closure programme was aimed at bringing capacity back in line with demand.

However, the difficulty of judging when this point had been reached is evident from the fact that Birmid started the 1979-80 financial year expecting a big improvement in profits and confident that following a period of contraction—the foundries division was "leaner and much fitter".

In the event, the department dropped off sharply again and industry observers see little improvement on the horizon. In present conditions, Birmid is probably losing money. The balance sheet, at least, provided a firm base to weather the traumas of the past year.

Borrowings were only 18 per cent of shareholders' funds at November, 1979, though gearing will undoubtedly have risen substantially since then.

West Germany's large industrial concerns have traditionally borrowed rather than issue shares to finance expansion. But high interest rates which could continue through the 1980s are reducing their interest in equity finance. The problem is trying to interest the general public, which now puts less than one per cent of its savings into shares.

The dilemma was highlighted by Dr Heinz Krämer the finance chief of the Gutehoffnungshütte group at a press conference in Oberhausen at which he called on the West German government to follow the French example and give tax incentives to make shareholding a more attractive proposition along the Loi Monory lines.

Dr Krämer's thesis was that the 1980s would be a period of rising capital needs on the part of Germany's investment goods industry. Aging plant had to be replaced, the need to rationalize and save energy would push upwards the level of capital investment per unit of production, and the expansion of business abroad would involve higher direct investments outside Germany.

On the other hand, interest rates were likely to stay high through the 1980s because the state would continue to have a high borrowing requirement while an increased savings rate was unlikely.

Dr Krämer made clear that it was also up to German industry to encourage share ownership through making its dividend policy more attractive. He called on the government to end discrimination against foreign investors who cannot benefit from the tax credits issued in respect of companies' corporation tax payments.

A 30-page document headed on the desk of Sir Keith Joseph, the Secretary of State for Industry, last Friday. It was called *Proposals for a Government-backed loan guarantee scheme* although some people in the Union of Independent Companies, its publisher, would have preferred the more direct *Loan Guarantee for the Tories*.

The second title has the advantage of capturing the evangelizing fervour of the small business lobbyists who have exerted constant pressure on two governments to push the idea through. They believe quite simply that the small company sector is one of the keys to recovery and that loan guarantees would be the single most decisive step along that road.

The document is the UIC's last word on the campaign and it appears when the various small business lobbies, which have been pressing their claims on the Government seem to be close to victory. Six months ago that victory seemed unthinkable.

The lobbyists started their final push in October when they began to discuss a new, receptive mood in the Government towards loan guarantees. Mr David Mitchell, the former small business minister, suddenly became enthusiastic and a vigorous back-bench campaign was mounted by Mr Michael Gyles, chairman of The Conservative Small Business Bureau.

Yet the election of a Conservative government with a monetarist approach to the economy had appeared to signal the death of the lobbyists' hopes. Mr Harold Lever, the Labour government minister responsible for small businesses, had floated the idea as part of a small company package under consideration in April 1978. But he immediately ran into

concerted opposition from civil servants and the proposal was stalled until the general election.

It was assumed the Conservatives would find it ideologically unpalatable. It represented a significant level of intervention in industry and a potentially large increase in Government debt. Removing barriers from the development of small business was all right, but the positive underwriting of the sectors' debts would go much too far.

The principle behind loan guarantees is simple enough: a company which could not raise finance through normal banking channels would turn to the scheme. This would involve a normal loan from a lending institution but the risk taken on by that institution would be reduced or eliminated by government underwriting.

The implications of that simple idea are far-reaching. It immediately implies that the commercially determined lending criteria which the banks operate are inadequate. One notable fact which has been much quoted in this connection is that Japanese small businesses frequently operate with debt equity ratios of 8 to 1. In contrast British clearing

Bryan Appleyard

Loan guarantees—a new hope for small business

Further down there was an unspoken fear that local branch managers might use a guarantee scheme for "doubtful loans"—the least attractive risks—or even "buddy" loans—American expression for loans negotiated on the basis of an excessively close relationship between manager and client. Against all this, the campaigners have consistently attempted to prove that the stakes are too high for Civil Service administrators' heads to be allowed to interfere. The possibility of injecting £1,000m into the small company sector was just too big to ignore.

They combined this with their own type of scheme which would effectively protect the Government against significant losses. As outlined by two accountants from the Small Business Bureau this would involve the Government underwriting, say, 80 per cent of each loan and the bank shouldering the rest of the risk.

The guaranteed 80 per cent would effectively become a gilt-edged security which the banks could sell to investing institutions. Such loans would be more expensive than ordinary bank loans—by perhaps 1 or 2 per cent.

White proposals now coming from the Government to the banks and consultations starting next week against a clear background of support from ministers and civil servants, it is evident that something of a coup, they were, of course, helped by the apparently uncontrollable rise in unemployment and the almost total absence of new job creation.

But the opposition was not just ideological and it was not just from the civil servants. The banks also put up strong resistance. The scheme implied that their historic lending criteria were not in the best interest of the national economy.

A Greek solution to problems below decks

Athens

A few hours before joining the European Community on January 1, Greece moved swiftly to eliminate a serious competitive disadvantage for Greek shipping caused by the acute shortage of domestic crews to man its rapidly expanding merchant fleet.

Mr Ioannis Filioris, the Minister of Shipping, signed a decree December 29 authorizing Greek shipowners to conclude bilateral crewing agreements with seamen's unions in the developing countries.

The need to recruit foreign

of 9.7 million tons under flag of convenience.

The Greek government tried to attract young Greeks to the sea by offering them a shorter term of military service, but the results were poor. It was against this background that the government was compelled some four years ago to allow shipowners to hire foreign seamen, but only up to 25 per cent of the ship's complement.

Seamen's shipowners argue that the steady growth of the merchant fleet means that another 40,000 to 50,000 crewmen are needed but there are no Greeks willing to fill them.

Since the 25 per cent ceiling has been blatantly violated, in some ships the ratio stands at six foreigners to four Greeks. The authoritative Piræus shipping review *Nautikos* reported in its January issue that "some of the best known names in Greek shipping are even now experimenting successfully with all-foreign crews".

A census taken in 1978 of Greek and foreign seamen employed on Greek ships, gave a total of 86,000 officers and 28,000 crewmen (chiefly lower deck) most of them Egyptians, Filipinos, Pakistanis and Indians.

The new decree, without abolishing the now nominal 25 per cent ceiling, enables shipowners to employ qualified Asian or African seamen through their unions rather than recruit the unskilled stragglers from Egypt, Pakistan or Bangladesh who loiter in the slum cafes of Piræus in search of jobs as seamen or water-borne.

The Greek minister has, in fact, urged owners to employ crews of the same nationality on the same ship, not only to avoid confusion, but also to enhance the ship's safety standards or to recruit well.

To induce the Greek seamen's unions not to oppose this solution, the decree provides that for every foreign seaman employed, the owners would deposit to a welfare fund for Greek seamen \$20 (£13) a month. This fund is expected to receive about \$7m to \$8m a year in foreign currency.

The weak spot at Linwood is that the models produced there, the venerable Avenger, now 10 years old and the Sonbeam, introduced over three years ago, together command only 2 per cent of the British market.

Talbot always claims to be a "10 per cent company" but lowered its aim last year to 8 per cent while the final realization was just over 6 per cent.

Linwood reached only one third of that depressed performance and so desperately needs the sales of a new model to bring its record back to a more viable level. Against this the company overall lost £19.5m

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His NEB appointment, in tandem with the chairmanship of the NRDC, should help to give a greater sense of direction and purpose to the two organizations' complementary roles in heading and promoting the new investment in the high technology sector so cherished by Sir Keith.

It will also undoubtedly please one of the NEB's arch critics, Michael Gyles MP who, on Kenneth Baker's recent elevation to the ministerial ranks, has taken over the chairmanship of the Tory Industry Committee.

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Some of the smaller fry, dis-

Mario Modiano

According to the decree, foreign seamen will be paid no less than the rates paid in their own countries on the going rate for these seamen on ships of other major maritime nations.

This will be substantially lower than Greek wages which owners were obliged to pay also to foreign crews under the existing arrangement, hence the concern of the unions, although the minister has reassured them that Greek seamen would always have priority of employment, even if a foreigner must be hired to make room.

All these arrangements are valid for an 18-month trial period, and their prolongation will depend on the results obtained. The minister believes that the number of foreign seamen employed on Greek-flag ships could rise to about 40,000.

The Government's move has come under strong criticism from the unions, notably the engineers union (Pegem), which will in fact be the least affected by the influx of foreign seamen. Pegem and the Communist Party have accused the main Greek seamen's federation

(PNO) of reacting to the threat with revolutionary intentions. The critics say that the official statistics are distorted and that the number of unemployed seamen is vast and bound to increase if the Greek shipowners are given the free-flying convention of hiring cheap foreign labour.

They also point out that a substantial part of Greece's shipping revenue, which rose to \$1,800m in 1978, comes from the substantial gap between British pay and the wages paid to the foreign crews. This would give the British ships a profitable edge.

The truth is that, unlike what has been happening in the Greek fleet, the number of foreign seamen in British ships which stood at 18 per cent in 1976, has declined considerably, mainly because of shrinking tonnage and increased automation.

Had Greece enforced the decree on foreign crewing after its formal accession to the European Community, many seamen would have been raised in Brussels. Yet some experts insist that if the Ten do not wish to see their tonnage drifting towards the flags of convenience, pure manning plans are superior to any measures to copy the Greek solution.

Pressures on a Talbot plant

The Government is clearly prepared to offer large inducements to Peugeot SA, the parent company of Talbot, to ensure its projected new model leaves the drawing board in France and arrives on the production line at Linwood in Scotland.

The recent talks between Sir Keith Joseph, Secretary of State for Industry, Mr George Younger, Secretary of State for Scotland, and Mr George Turnbull, the head of Talbot UK, left no one any the wiser about the intentions of the French company.

Peugeot has declared that it will seek to maintain a strong industrial base in Britain but this could refer to the Dodge truck division in company with other commercial vehicle manufacturers. Dodge has been suffering heavily but seems most likely to be the first to recover after the recession as businesses are obliged to reequip.

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tion now is whether the sharp improvements in productivity have come too late.

Wages have been greatly reduced, restrictive practices have declined and producing a vehicle takes many fewer man hours. Labour relations have improved beyond recognition and the only interruptions to production have been caused by stoppages at supplier plants.

Linwood is trying hard to preserve itself as a reliable and efficient place for Peugeot SA to invest in new production.

A decision from France is expected soon. Closing the plant would be disastrous for the industrial west of Scotland which has suffered badly from closure and contraction in its heavy industry. The car plant is a key employer in the Paisley, Renfrew area.

A Renfrew district council officer ranked the plant second in importance only to the giant engineering works of Babcock and Wilcox. Over the years the two works have taken turns in being the biggest employer.

"The immediate impact of a shutdown, which I prefer not to contemplate, would be on Renfrew," he said. Linwood put millions of pounds over the years into the local economy and although many components parts arrive from the south there is a substantial spin off for local engineering companies.

One of the doubts about Linwood all along has been that it was unable to build up a background of local accessory suppliers," he said.

Ronald Fair

Business Diary profile: Sir Frederick Wood of the NRDC (and NEB)

When I was but a lad, cutting my journalistic teeth on a diet of parish pump politics, magistrates' courts and the fishing of drunken sailors out of the muddy waters of Goolie docks, North Humberside Freddie Wood, as he then was, was already a local celebrity.

Young, stylish, ambitious and clearly going places, Freddie Wood brought a whiff of big business and tycoonery which enlivened and enriched the local economy.

Residents of the tiny village of West Cowick, just down the road from Cowick Hall, the fine Georgian building which Freddie Wood converted into the headquarters for Croda, the chemical company he took over from his father, quickly became used to the jet set style of the young executive.

"Ah, that'll be Freddie off on one of his business trips again", they would say as the Croda executive plane took off from the grass landing strip in front of the hall, bound for London or somewhere rather more exotic.

Freddie Wood (now Sir Frederick) and Croda (now Croda International) have come a long way since then, barring any more last minutes hitchhikes, the formal announcement of his appointment as the fifth chairman of the National Enterprise Board should be confirmed in a parliamentary statement later today.

His appointment, which will be part time, is significant because he will also retain his chairmanship of the National Research Development Corporation. Apart from eliminating overlap and expanding the collaboration between the two publicly-funded bodies in the high technology field, Sir

Frederick can also be expected to examine the scope for a possible merger of the two in the longer term.

The Croda chairman's qualifications for taking over the political hot seat at the NEB (which incidentally he is anxious to depoliticize) are impeccable.

He fits the entrepreneurial mould which is so beloved of the Prime Minister and her economic guru, Sir Keith Joseph, very neatly indeed.

Croda was founded in 1925 by a Mr Crowe and a Mr Dawe hence the curious name.

Sir Frederick's father managed the business for the first quarter of a century before he himself moved in and the expansion began. Today Croda products find their way into markets as diverse as bone china and furniture to pharmaceuticals and pet foods.

Turnover and profits soared under Sir Frederick's dynamic direction. In the header days of

constant expansion and development Sir Frederick attributed the company's growth to "a combination of amateurism, ignorance, persistence, enthusiasm and bloody-mindedness".

The young Wood's sights were not solely confined to the excitement of the balance sheet and the development of new speciality products. Politics beckoned and in 1962 he contested the Middleborough constituency by-election for the Conservatives and, as perhaps he expected, failed to overturn the 11,000 Labour majority.

The by-election and the experience in corporate business life stood him in good stead when he took over the part-time chairmanship of the National Bus Company in 1972.

Quickly he initiated a reorganisation and a marketing strategy. After clocking up some heavy deficits in the mid-seventies, NBC turned in a healthy £9.6m surplus in 1977-78 before Sir Frederick moved off to the chairmanship of the NRDC.

It was while he was at the NBC that Sir Frederick played a formative role in developing what has now become the National Enterprise Board. Previously the bosses of the big state industries held informal luncheon get-togethers, usually over a meal in a British Transport Hotel to talk over their problems and

mean about the interference of their sponsors—ministers. Matters came to a head in the controversial debate between the mercenary Sir Monte Finistron, former chairman of the British Steel Corporation (BSC) and Tony Benn, when he was Industry Secretary.

Some of the smaller fry, dis-

pleased with being fed the crumbs from the SIR table, felt that there was a need for the smaller corporations to have their say in the debate over Government relations with the state industries.

Sir Frederick was among the prime movers and the NICG was born out of a lunch at the BSC in May 1975.

Last year, however, he found himself at the centre of a controversy much closer to home which involved an employment appeals tribunal and Croda's former chief executive, Ernest Tyerman.

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After five chairmen in five years, have they at last got the chemistry right at the National Enterprise Board? Sir Freddie Wood (right) and former NEB chairman, Sir Arthur Knight and Sir Leslie Murphy.

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Company	Price	Change	Dividend	P/E
3.700 Airsprung Group	64	-1	6.7	10.5
1.050 Armitage & Rhodes	42	+3	1.4	3.3
11.548 Bardon Hill	189	-	9.7	5.1
380 County Cars Pref	38	-2	-	-
7.385 Deborah Services	96	+1	5.5	5.7
4.274 Frank Horsell	114	-2	6.4	5.6
8.234 Frederick Parker	57	-	11.0	19.3
1.639 George Blair	77	-	3.1	4.0
2.675 Jackson Group	107	-1	6.9	6.4
16.424 James Burroughs	119	-	7.9	6.6
3.407 Robert Jenkins	334	+3	51.3	9.4
2.580 Scrutons "A"	53	-	3.3	10.0
3.338 Torday Limited	217	-2	15.1	7.0
2.671 Twinkl Ord	121	-4	-	-
2.102 Twinkl 15% ULS	77	-	15.0	19.4
5.493 Unilock Holdings	36	-	3.0	8.3
12.779 Walter Alexander	101	-1	5.7	5.6
5.928 W. S. Yeates	254	-	12.1	4.7

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This Stock is an investment falling within Part II of the First Schedule to the Finance Act 1963, and is exempt from Capital Gains Tax. The principal of the Stock will be repaid on the date of redemption, which will be on or after 22nd September 1985. The Stock will be repaid at the rate of £100 for every £100 of nominal value. The Stock will be repaid at the rate of £100 for every £100 of nominal value. The Stock will be repaid at the rate of £100 for every £100 of nominal value.

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Her Majesty's Treasury has directed that Section 32 of the Income and Corporation Taxes Act 1970 (which relates to the treatment for taxation purposes of financial concerns whose business consists wholly or partly in dealing in securities) shall apply to exchanges of securities made in pursuance of the provisions of the Finance Act 1963.

FINANCIAL NEWS

Question mark over John Brown dividend

A mixed bag of companies report this week including defence stock Rascal. The engineering sector is anxious to see whether John Brown, giving its interim assessment of trading on Friday, will maintain its dividend. Other groups announce results include furniture group MFI, Associated Dairies, the food retailer, Read International, and overseas trade Incache.

On the economic front, news is rather thin on the ground. The only major figures expected are January's unemployment figures on Tuesday, and the Confederation of British Industry's industry trends survey for January, also on Tuesday.

MFI reports its interim figures to late November on Tuesday. These will show the effects of the Status Discount acquisition, which increased the group's selling area but involved substantial reorganisation costs, most of which will be borne in the first half. Added to that, higher borrowings following the acquisition and the downturn in consumer spending have made life more difficult for the group in the first half.

But the benefits of Status Discount should show in the latter part of the year, to May 31. Analysts are looking for interim profits from MFI in the £6m to £7m range against £5m last year, but expect the interim dividend to be maintained.

Full-year results are expected to be similar to those of last year (£16.8m) or perhaps slightly increased after meeting substantially higher interest costs.

With most of the reorganisation costs met in the first half, MFI is expected to perform rather better in the second half. Earnings per share, however, will be well down for the year as the Status Discount acquisition increased the share capital. Analysts are a little cautious about the group until the consumer spending picture improves, and Status has been fully absorbed.

This week

Wednesday brings interim figures from Associated Dairies, whose non-food side has also felt the impact of lower consumer spending. The group has twice issued warnings that these figures will be below last year's £22m and analysts seem to be going for £21 to £22m at the half-way stage. Food trading has apparently been going quite well, with volume holding steady, but non-food items are a substantial part of Associated's operations and the group is feeling a draught there.

Margins on petrol sales outside the stores are also thought to have dipped from profit towards break-even creating a dent in trading profits. The group is likely to be a net interest payer this half, reflecting Ukay's expansion costs and the reorganisation of Williams Furniture.

There are some signs of trading down in food items now by consumers but this will not show up in any figures till the year end or later. Analysts expect the company to show a small improvement on last year's £50m pre-tax outcome, making perhaps £51m this year, with the second half relatively free of expansion costs or reorganisation expenses. Going on past policies, which have seen dividends rise by more than earnings, the dividend is expected to show a modest increase of around 10 per cent this year.

Rascal Electronics brings out its interim figures on Thursday. These are difficult to forecast because Decca's losses and costs could be placed above or below the line, so analysts are playing safe and saying the interim figures will probably be much the same as last year's £25m pre-tax. With good dividend cover an increase of 10 per cent or more is anticipated.

Analysts agree that the original Rascal interests have had a good first half in spite of the weakness of the dollar and those profits could be up by a quarter. But Decca is expected to make a first half trading loss, though it should be breaking even by the year-end.

Rascal's radio and data communication businesses are said to be very strong and expected to do better, and are thought to be breaking even now but the consumer goods side continues to suffer losses. With these operations expected to be in the red, analysts are looking ahead eagerly to 1981-82.

Engineering group John Brown makes its interim statement on Friday. It does not usually release interim figures but announces a dividend and gives an indication of how trade is going, and analysts are expecting a rather depressing release this time. But on balance they believe the dividend will be maintained.

The blackest spot for John Brown is the overstocked gas turbine industry, and the machine tool side is scarcely any better, though some improvement could now be filtering through there following steps taken last year. Operations served by the depressed commercial vehicle market are also suffering.

However, there are signs of recovery in process engineering and construction in America and John Brown's acquisition there of Crawford & Russell could benefit it soon. There are signs now that orders could start to rise this year, which ends on March 31, but any improvement in profits will not now filter through till 1981-82. But Leesons Corporation, which is in the American plastics and design industry, is expected to take a little longer to improve its performance.

In Britain most of John Brown's dividends are still facing difficulties, but analysts think the colliery side, which could soon prove a better market.

Forecast for the full year are largely guesswork at this stage with analysts expecting a significant profits dip from the £21.1m pre-tax made last year to anything between £13m and £17m, with the emphasis on the higher end of that range.

Better trading is expected in some areas in 1981-82, though the turbine market will almost certainly continue to be tight.

and full recovery is looked for the following year.

TODAY: Interims: Cooner Industries, Hallite Holdings, Kakuzi, Mercantile House Holdings, Midland Trust, and Stroud Riley Drummond. Finals: Bank Leumi (UK).

TOMORROW: Interims: Daejan Holdings, Hambro Trust, Inchcape and Co, Mann Egeron, Benjamin Priest and Son, Rest International (nine months), Stewart Plastics, Town and City Properties, and Zetters. Finals: Asbdown Investment Trust, Bertrams, Eurotherm International, Glass Glover, Group, MFI Furniture, and Vantage Securities.

WEDNESDAY: Interims: Associated Dairies, Associated Distillers Products, D. F. Bevan, Louis Newman, Scottish, English and European Textiles, Whitworth Electric, and Calcutta Electric Supply Corp (India). Finals: Scottish American Investment Co, and Throgmorton Trust.

THURSDAY: Interims: Denbyware, Fitch Lovell, Garford-Lilly Industries, Home Farm Products, Lynton Holdings, Massey's Pharmaceuticals, Portsmouth and Sunderland Newspapers (third quarter), Rascal Electronics, and Textured Jersey. Finals: Bullough, Rodde Holdings, Hill and Smith, Kinloch, Taylor, F. Pratt Engineering.

FRIDAY: Interims: Arbutnot Government Securities Trust, John Brown and Co, Loggion Industrial Holdings and Wholesale Fittings. Finals: Arbutnot Government Securities Trust, John Brown and Co, Loggion Industrial Holdings and Wholesale Fittings.

SATURDAY: Interims: None announced. Finals: Kuala Lumpur Kepong.

Catherine Gunn

Detailed look at electronics sector

The prospects and promise in the electronics sector have received detailed attention from Carr Selig in its look at United Kingdom electronic component distribution. Mr Barry May and Mr A. C. Carter have examined four companies and point out that although this part of the industry has often been regarded as immune to recession there is now growing evidence of a slowdown in the second half of 1980 that is likely to curtail progress until well into 1981.

Brokers' views

Selling prices of components have been depressed recently as supply has exceeded demand, hindering growth at Unitech and Diploma, although Unitech's high technology defence products should remain resilient. But smaller distributors, forced to carry and finance a wide range of products, could be crippled.

"In the short term broadline distributors such as Electrocomponents and Farwell will find their margins severely affected," the analysts say. "In the medium term, however, if there is a shakeout, the cash-rich Electrocomponents and Farwell will be able to increase their market share to the current slowdown could rebound in favour of the large, well-financed company."

The main sources of growth for the sector will be the progress of electronics, integrated circuits and microprocessors and the trend for distributors to sell goods that were formerly the province of the direct salesman.

Electrocomponents is rated the most attractive stock to perform well in recession and expansion because it has no manufacturing content. Farwell, on the other hand, has a high level of manufacturing while Diploma and Unitech holdings are useful for their microprocessor element, with Diploma the lower risk company of the two because of its cash resources, better return on capital and a lower price ratio.

Hoare Govett has looked at food manufacturing and retailing and decided that the latter will outperform the market this year. "Emphasis within the sector could be switched to Tesco for recovery, Kwik Save, Associated Dairies (after interim results), Fitch, Lovell (for income), and William Morrison", Mr J. E. R. Bax and Mr N. G. Mills say.

On the manufacturing side, Bibby looks attractive for the longer term and United Biscuits should produce a stronger share performance after a return to more favourable operating conditions and the benefits of consistently high capital spending.

In the same area, Mr John Elston of James Capel reckons that Cadbury Schweppes is a buy. "Overseas Canadian recovery and South African progress should compensate for very poor U.S. results," he says. Although the trading outlook is again far from easy, Cadbury may achieve a 10 per cent pre-tax advance helped by lower interest rates," Mr Elston believes that this will provide scope for dividend increases for 1980 and 1981.

Rosemary Unsworth

Barclays to expand its operations in Scandinavia

Barclays Bank is expanding its interests in Scandinavia with a deal worth more than £5m.

The bank is buying a controlling shareholding in Independent Leasing AB, the Stockholm-based commercial and industrial leasing business.

Barclays has bought its stake from two other companies, although the deal will give it slightly less than 50 per cent of Independent Leasing's share capital. It will control some 75 per cent of the votes.

Independent Leasing is a diversified financial company, engaged primarily in commercial and industrial leasing in the Nordic countries, with total assets in excess of Skr 680m (£63.5m approximately).

The acquisition of shares, together with the shares held already by Mercantile Credit Company, a wholly owned subsidiary of Barclays Bank, will bring Independent Leasing under the control of the Barclays Group.

Mr Huw Manton, regional general manager of Barclays Bank International, said: "The acquisition of a majority shareholding in Independent Leasing will strengthen the Nordic business activities of the Barclays Group and will help to develop our worldwide links with Swedish companies."

At the same time, strong financial resources will be available to support the development of the Independent Leasing Group in Scandinavia and internationally.

Barclays recently obtained the approval of the Swedish Ministry of Economy to open a representative office in Stockholm.

Stenhouse hopes for improvement this year

After a year of heavy expansion costs and depressed American and British economies, which pushed pre-tax profits down 5 per cent to £13.3m, insurance brokers Stenhouse Holdings is looking chiefly to its growing aviation division here and in the United States, its energy interests, and South East Asia for improvement this year, according to its annual report.

At the annual meeting on February 12 the board will propose that the restriction of its members to nine people in the Articles of Association be lifted.

Options market's stay of execution

Expiry day in the traded options market passed without incident last week and the sigh of relief among all those concerned was heard echoing around the market place.

Fears did exist that the jobbers, who had supported the market faithfully throughout its three-year history, had grown weary and were about to withdraw support. But with the expiry of the January series last Wednesday and the subsequent introduction of the October series the next day it now looks as though the option market has been given a stay of execution.

There appear to be several reasons for the Stock Exchange's last ditch attempt at making a go of it. The first is its decision to introduce put options, in five existing series, by May 28. The second is for the Stock Exchange Council to actually spend money on advertising the option market.

However, several sceptics have said the opening of the market is likely to be too little and too late. This must also be set against the £5m used to promote the massive Chicago options market and the £1m plus for its Amsterdam counterpart.

Nevertheless, Mr David Steen, chairman of the traded options committee, remains confident about prospects and believes traded options have a big part to play in everyday market business.

But he is annoyed by the apathy of most member firms, who refuse to become involved by pointing out the benefits of the business to their own institutional clients. Indeed, the absence of the leading institutions has continually prevented the increase in volume that had

been expected. At present there are only a dozen member firms actively trading in options. Of these, none of the jobbers have made enough profits to justify their continued presence in what is traditionally a highly skilled and labour intensive market. Hence, earlier reports that the jobbers were seriously considering their futures as market makers having shouldered the bulk of the high financial risk for long enough.

Briefing

But the council's decision to break with tradition and invest actively in reducing its own members and the public will have gone a long way towards keeping its commitments alive.

Few immediate changes are expected in dealing procedures, which to the uninitiated at first might appear complicated, and suggestions that one contract, consisting of 1,000 shares, might be reduced to 500 to offset some of the more top heavy shares have been dismissed in most circles.

The options market has had a brief but chequered history. It began in April 1978, and saw average daily contracts of 500 to 1,000. This hit a peak of about 4,000 prior to the general election of March 1979, but dropped to between 1,000 and 2,000 shortly after. This was a direct result of the market's dispute with the Inland Revenue over its treatment of it as a wasting asset with regard to losses.

The problem was finally cleared up last September with total contracts each day hovering round 1,000.

Since then, according to Mr Charles Williamson of brokers Sheppard's and Chase, the market has entered a "bear phase" with share prices on the slide. This in turn has put a damper on investment enthusiasm with writers unwilling to bet on higher share prices in a falling market.

However, the introduction of puts in May, which had earlier been intended for last November, will allow investors to take an upward and downward view of moves in the market, Mr Williamson added.

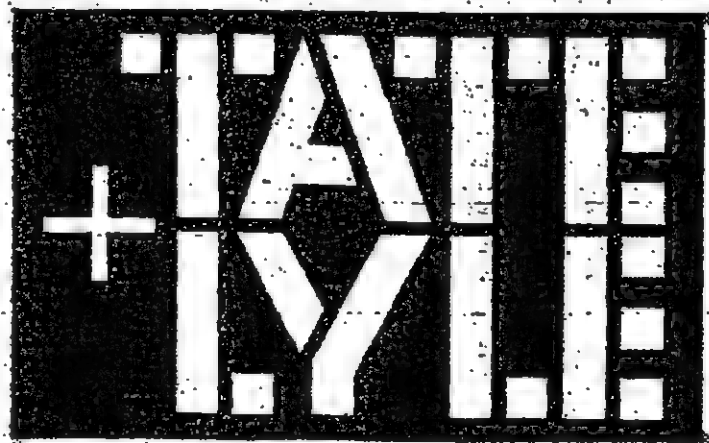
Another dealer in the market described the introduction of "puts" as a unique way of going, short while still remaining covered. Nevertheless, the introduction of "puts" still attracts the sceptics, who say that puts are unlikely to do much to revive the already abysmal level of business.

In the meantime, the seminars designed to teach the professionals and public alike, continue and this could be followed by the publication of a simply worded book aimed at giving investors a clearer insight into traded options.

But before the market's attempt at attracting the "small man" bears fruit it must make one more determined effort at attracting the large institutions and pension funds, which continue to show only minimal interest.

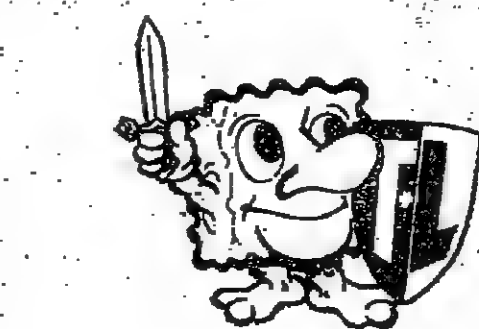
It remains clear that time is running out for the traded options market and that this latest attempt at prolonging its life probably will be the last. Mr Steen and his colleagues face an uphill task in convincing the rest of the City that the traded options market does have a useful role to play.

Michael Clark



The year 1980

Comments by the Chairman, the Rt Hon Earl Jellicoe



Pre-tax profits £30.7m £26.2m
Dividends paid and proposed 10.5p 10.5p

Copies of the Annual Report for the year to 30th September 1980 will be mailed to shareholders shortly and will be available from J.E. Wright, Secretaries, Tate & Lyle Limited, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

'I am cautiously optimistic that the Group is regaining its momentum'

Group trading profit increased from £30.1 million to £42.0 million before interest, and from £26.2 million to £30.7 million at the pre-tax level.

The significance of 1980 and certain events since the year end should be viewed in terms of the progress we have made towards completing the essential restructuring of Tate & Lyle on which we embarked in 1978.

The actions we have taken—including our recent decision further to rationalise our UK sugar refining capacity—will strengthen our Group although they have resulted in substantial charges which have been included as extraordinary items in our 1980 Report & Accounts.

Many difficult decisions about Tate & Lyle's future have been taken and are now being implemented. A more flexible, more robust and more profit-conscious Group is already emerging.

MARKET REPORTS

Dry cargo tends to be subdued

With the Reagan Administration now installed a firm picture of the grain market is expected shortly. The picture is that the ban will be lifted because it has proved ineffective. In fact according to a United States Department of Agriculture analysis, the Carter four-year grain embargo has done more damage to the grain market than to the Soviet Union.

The significant conclusion is that through the pressure of the Russians have now accepted their agricultural industry as to survive without unrestricted access to the American grain market. So it could appear that now American grain purchases will be more than Russia needs.

Dry cargo activity over the last seven days has tended to be rather subdued compared to late January. It did pick up towards the end of last week, however, it was mid-week when the amount of floating tonnage concluded and volume of inquiry reached near-normal levels.

Weekly list of fixed interest stocks

Stock	Price	Yield	Dividend
British Petroleum	10.50	4.5%	0.45
Shell	10.20	4.5%	0.45
Esso	10.10	4.5%	0.45
British Gas	10.00	4.5%	0.45
British Telecom	9.80	4.5%	0.45
British Airways	9.60	4.5%	0.45
British Airways	9.40	4.5%	0.45
British Airways	9.20	4.5%	0.45
British Airways	9.00	4.5%	0.45
British Airways	8.80	4.5%	0.45
British Airways	8.60	4.5%	0.45
British Airways	8.40	4.5%	0.45
British Airways	8.20	4.5%	0.45
British Airways	8.00	4.5%	0.45
British Airways	7.80	4.5%	0.45
British Airways	7.60	4.5%	0.45
British Airways	7.40	4.5%	0.45
British Airways	7.20	4.5%	0.45
British Airways	7.00	4.5%	0.45
British Airways	6.80	4.5%	0.45
British Airways	6.60	4.5%	0.45
British Airways	6.40	4.5%	0.45
British Airways	6.20	4.5%	0.45
British Airways	6.00	4.5%	0.45
British Airways	5.80	4.5%	0.45
British Airways	5.60	4.5%	0.45
British Airways	5.40	4.5%	0.45
British Airways	5.20	4.5%	0.45
British Airways	5.00	4.5%	0.45
British Airways	4.80	4.5%	0.45
British Airways	4.60	4.5%	0.45
British Airways	4.40	4.5%	0.45
British Airways	4.20	4.5%	0.45
British Airways	4.00	4.5%	0.45
British Airways	3.80	4.5%	0.45
British Airways	3.60	4.5%	0.45
British Airways	3.40	4.5%	0.45
British Airways	3.20	4.5%	0.45
British Airways	3.00	4.5%	0.45
British Airways	2.80	4.5%	0.45
British Airways	2.60	4.5%	0.45
British Airways	2.40	4.5%	0.45
British Airways	2.20	4.5%	0.45
British Airways	2.00	4.5%	0.45
British Airways	1.80	4.5%	0.45
British Airways	1.60	4.5%	0.45
British Airways	1.40	4.5%	0.45
British Airways	1.20	4.5%	0.45
British Airways	1.00	4.5%	0.45
British Airways	0.80	4.5%	0.45
British Airways	0.60	4.5%	0.45
British Airways	0.40	4.5%	0.45
British Airways	0.20	4.5%	0.45
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Freight

Prospects for United States grain shipments look bright according to figures released by the USDA which show that as of January 8, the unshipped balance of grain sales totalled 41 million tonnes compared to 42.7 million tonnes at the beginning of 1980.

The latter, however, included 16 million tonnes due to be transported to Russia which was stopped under the Carter embargo.

Other voyage business comprised a limited mix of coal, ironore, sugar and fertilizer transactions. In the time sector the interest in period fixing was maintained supporting a

David Robinson

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Issues trendless as investors stay aloof

The international dollar market was trendless last week. Price changes mostly reflected position-taking by dealers and not activity of investors, market participants said, writes AP.

Although there was a whiff of optimism in the market about short-term interest rates moving lower in the near-term, some analysts were taking the view that money market rates may not decline by much.

Therefore, the eurobond market could still remain vulnerable to a sell-off, these analysts argued.

At the moment, current bond yields are around 13.25 per cent but short-term financing costs are close to 20 per cent. Thus, the cost of carrying a bond position works out to about 0.56 per cent per month.

This cost can add up very quickly. For example, if an underwriter were left with \$30m on its books as the result of the latest onslaught of mispriced issues, the monthly cost of carrying the position would come to about \$165,000.

If we do not see interest rates come down, then we could well see a collapse in prices, one dealer said.

Two fixed-rate offerings last week were outshored by investors. A \$25m, 10-year issue of the European Economic Community at 9.50 per cent, 13.25 per cent fell to 9.63.

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Euromarkets

Convertible bond issues were also ignored by investors. However, a \$50m, 15-year issue bearing 7.33 per cent semi-annually of Nippon Yusen KK, the Japanese shipping line, was said to have attracted moderate investment demand.

Aside from allowing investors to convert into the company's Tokyo-listed shares at an anticipated 5 per cent premium, the issue provides investors with the option of redeeming in five years at 115.

This would raise the yield to nearly 10 per cent, dealers said. However, weakness of the yen at the end of the week was causing demand to waver.

A 400m French franc, five-year note issue of Oesterreichische Kontrollbank, the Austrian export finance agency, was performed well in the market after being priced at par bearing 14.0 per cent. It was quoted at 99.75 bid, 100.25 offered.

One influence which has attracted some attention is President Reagan. The idea, put crudely, is that the new President will encourage expenditure in areas such as weapons which are favourable to metals.

My own feeling is that the argument is exaggerated. The new Administration will probably find itself as much a prisoner of events as have most governments around the world in recent years.

The consequent inability to reflate without inflating will not provide the powerful spur to metal prices for which many are waiting. Weapons expenditure will probably rise significantly—indeed a big increase has already been proposed by Congress—but its influence is not that great, except on a very short-term basis. Even then, the impact is likely to be mixed,

Little hope of any early recovery in the tumbling metal prices

Prices are still falling on the London Metal Exchange. No metal shows any sign of a quick recovery from levels which in real terms are extraordinarily low.

On the contrary, market sentiment suggests that most nominal prices will continue to decline. Consumption fell sharply in the second half of 1980, but the underlying trend of full severity was partially disguised by factors such as the American copper workers' strike and the cutbacks by nickel producers. So where do we go now?

The arguments for a further fall in consumption and prices are familiar enough. Industrial demand is weak, though dependent in large measure on the marginal savings of the American economy. Some metals, particularly nickel, zinc and tin are in fundamental oversupply, while others such as copper and lead are finely balanced.

Moreover, reserves of most base metals are known to be much bigger than was thought only a few years ago. On a more technical note, base metal prices on exchanges have a reputation for being very unexciting.

But what are the positive indicators? Perhaps it is still too early to say. Nevertheless, the exercise is worthwhile because it offers a hint of the direction the markets could reverse.

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and prices have already anticipated more rockers.

Interest rates, which have been a major disincentive to restocking and to investment in manufacturing or mines, may fall a little. It is difficult to see, however, that they can be much lower before the middle of the year, as with other factors such as higher budget spending the impact is not immediate.

One temptation stemming from high interest rates, is to put money into markets which offer more action than metals. Investment in equities, cash is to be found in soft commodities, financial futures, and other instruments which offer

a better chance of beating inflation and in some cases are specifically designed as inflation hedges.

If this keeps money out of metal markets, so does the behaviour of manufacturers. Faced with low demand and high interest rates they have no inclination to rebuild stocks, which are very small. By the end of last year, for example, refined copper stocks were about 1.1 million tonnes, the lowest in 10 years. Forecasts place this year's stocks at 1.3 million tonnes, the same as 1979.

But manufacturers' stocks also have their optimistic aspect. Precisely because they are so low, the recovery potential is great. The timing and exact workings of this mechanism are from obvious. Still, the principle that low stocks give leverage to prices when demand picks up is reasonable.

Crucially, the need to rebuild stocks in expectation of orders means that primary metal demand rises faster than the long-term consumption trend. The full effect may only be brief, and prices can even slip back to the trend line.

Whenever this happens, the markets will also have to decide how long the long-term may be. False dawns in economic recovery are common, and demand that increases for only a

year before flattening out will not cause the real adjustments in metal prices which producers need.

So if restocking begins in about six months, as some market sources feel, could prices behave very oddly for a while under a mainstream view of industrial demand emerges. Stocks are not all of a kind, however. Manufacturers' stocks are lower, but the upside is that producers' stocks are mounting, if there have been cutbacks in production. The producers' stockpiles of lead grew from 179,000 tonnes at the beginning of 1980 to about 185,000 tonnes at the end.

But consumer stocks fell, chiefly in the United States, by 37,000 tonnes to 215,000. Most significant, stocks in LME warehouses ended the year very much higher, at 74,000 tonnes compared with 55,000 tonnes.

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Unit Trust Prices—change on the week FT Index change on week 455.7 +3.8 (0.8%)

Unit Trust	Current Price	Change on Week	FT Index	Change on Week
Authorized Unit Trusts				
British Petroleum	10.50	+0.10	455.7	+3.8
Shell	10.20	+0.05	455.7	+3.8
Esso	10.10	+0.05	455.7	+3.8
British Gas	10.00	+0.05	455.7	+3.8
British Telecom	9.80	+0.05	455.7	+3.8
British Airways	9.60	+0.05	455.7	+3.8
British Airways	9.40	+0.05	455.7	+3.8
British Airways	9.20	+0.05	455.7	+3.8
British Airways	9.00	+0.05	455.7	+3.8
British Airways	8.80	+0.05	455.7	+3.8
British Airways	8.60	+0.05	455.7	+3.8
British Airways	8.40	+0.05	455.7	+3.8
British Airways	8.20	+0.05	455.7	+3.8
British Airways	8.00	+0.05	455.7	+3.8
British Airways	7.80	+0.05	455.7	+3.8
British Airways	7.60	+0.05	455.7	+3.8
British Airways	7.40	+0.05	455.7	+3.8
British Airways	7.20	+0.05	455.7	+3.8
British Airways	7.00	+0.05	455.7	+3.8
British Airways	6.80	+0.05	455.7	+3.8
British Airways	6.60	+0.05	455.7	+3.8
British Airways	6.40	+0.05	455.7	+3.8
British Airways	6.20	+0.05	455.7	+3.8
British Airways	6.00	+0.05	455.7	+3.8
British Airways	5.80	+0.05	455.7	+3.8
British Airways	5.60	+0.05	455.7	+3.8
British Airways	5.40	+0.05	455.7	+3.8
British Airways	5.20	+0.05	455.7	+3.8
British Airways	5.00	+0.05	455.7	+3.8
British Airways	4.80	+0.05	455.7	+3.8
British Airways	4.60	+0.05	455.7	+3.8
British Airways	4.40	+0.05	455.7	+3.8
British Airways	4.20	+0.05	455.7	+3.8
British Airways	4.00	+0.05	455.7	+3.8
British Airways	3.80	+0.05	455.7	+3.8
British Airways	3.60	+0.05	455.7	+3.8
British Airways	3.40	+0.05	455.7	+3.8
British Airways	3.20	+0.05	455.7	+3.8
British Airways	3.00	+0.05	455.7	+3.8
British Airways	2.80	+0.05	455.7	+3.8
British Airways	2.60	+0.05	455.7	+3.8
British Airways	2.40	+0.05	455.7	+3.8
British Airways	2.20	+0.05	455.7	+3.8
British Airways	2.00	+0.05	455.7	+3.8
British Airways	1.80	+0.05	455.7	+3.8
British Airways	1.60	+0.05	455.7	+3.8
British Airways	1.40	+0.05	455.7	+3.8
British Airways	1.20	+0.05	455.7	+3.8
British Airways	1.00	+0.05	455.7	+3.8
British Airways	0.80	+0.05	455.7	+3.8
British Airways	0.60	+0.05	455.7	+3.8
British Airways	0.40	+0.05	455.7	+3.8
British Airways	0.20	+0.05	455.7	+3.8
British Airways	0.00	+0.05	455.7	+3.8
Offshore and International Funds				
British Petroleum	10.50			

Stock Exchange Prices

Capitalization and week's change

ACCOUNT DAYS: Dealings Begins, Today. Dealings End, Feb 6. Contango Day, Feb 9. Settlement Day, Feb 16

Forward bargains are permitted on two previous days

(Current market price multiplied by the number of shares in issue for the stock quoted)

Stock	Price	Chg	Gross Div	Cap	Company	Price	Chg	Gross Div	Cap	Company	Price	Chg	Gross Div	Cap	Company	Price	Chg	Gross Div	Cap	Company
Stock	Price	Chg	Gross Div	Cap	Company	Price	Chg	Gross Div	Cap	Company	Price	Chg	Gross Div	Cap	Company	Price	Chg	Gross Div	Cap	Company
BRITISH FUNDS																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
COMMONWEALTH AND FOREIGN																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
LOCAL AUTHORITIES																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
DOLLAR STOCKS																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
BANKS AND DISCOUNTS																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
BREWERS AND DISTILLERS																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
RUBBER																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
TEA																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
MISCELLANEOUS																				
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00
100000	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00	100.00	0.00	0.00	100.00	100.00

READER SERVICES GUIDE

BUSINESS SERVICES

1-3 Express Typing Service.
17 Chancery Lane, London WC2. 01-404 5464.
Abbey Press Ltd.
(Sales from Merit), P.O. Box 26, Harlow, Essex.
1-3 Express Typing Service.
A complete range of blank-paper copies and machine equipment. 01-404 5464.
1-3 Express Typing Service.
17 Chancery Lane, London WC2. 01-404 5464.
Abbey Press Ltd.
(Sales from Merit), P.O. Box 26, Harlow, Essex.
1-3 Express Typing Service.
A complete range of blank-paper copies and machine equipment. 01-404 5464.

AIR CONDITIONING, HEATING & OIL DISTRIBUTORS

H. Pegg & Sons Ltd.
The complete range of air conditioning and heating equipment.
Qualifair (Air Conditioning) Limited.
17 Chancery Lane, London WC2. 01-404 5464.
Abbey Press Ltd.
(Sales from Merit), P.O. Box 26, Harlow, Essex.
1-3 Express Typing Service.
A complete range of blank-paper copies and machine equipment. 01-404 5464.

ADVERTISING SERVICES, DESIGN, PRINT & GRAPHICS

Carla Cards Limited.
Cards and greeting cards. 01-748 1122.
Capricorn Ltd.
Cards and greeting cards. 01-748 1122.
Capricorn Ltd.
Cards and greeting cards. 01-748 1122.
Capricorn Ltd.
Cards and greeting cards. 01-748 1122.

BUSINESS GIFTS & PROMOTIONAL SERVICES

Business & Holiday Travel Ltd.
Group of travel agencies. 01-430 4114.
Business & Holiday Travel Ltd.
Group of travel agencies. 01-430 4114.
Business & Holiday Travel Ltd.
Group of travel agencies. 01-430 4114.

CATERING—PRIVATE & COMMERCIAL

City Cooks.
Catering at its best. 01-735 4129, 047 5506/5507.
City Cooks.
Catering at its best. 01-735 4129, 047 5506/5507.
City Cooks.
Catering at its best. 01-735 4129, 047 5506/5507.

CLEANING

Carpet Cleaning & Maintenance.
300 Gower Rd, London EC1. 01-278 2578.
Carpet Cleaning & Maintenance.
300 Gower Rd, London EC1. 01-278 2578.
Carpet Cleaning & Maintenance.
300 Gower Rd, London EC1. 01-278 2578.

COACH HIRE

Best Western Transport Co.
Private coaches for all occasions. 503 5303.
Best Western Transport Co.
Private coaches for all occasions. 503 5303.
Best Western Transport Co.
Private coaches for all occasions. 503 5303.

COMPUTING SERVICES

Boris (IT) Services.
Complete business solutions. 01-404 5464.
Boris (IT) Services.
Complete business solutions. 01-404 5464.
Boris (IT) Services.
Complete business solutions. 01-404 5464.

CONTRACT HIRE, RENTAL, LEASING

Electronic Cash Registers.
Safes, cash registers, etc. 01-368 1844.
Electronic Cash Registers.
Safes, cash registers, etc. 01-368 1844.
Electronic Cash Registers.
Safes, cash registers, etc. 01-368 1844.

DELIVERY MESSENGER SERVICES

Chole's Air Courier (UK) Ltd.
Fast delivery service. 01-727 0537.
Chole's Air Courier (UK) Ltd.
Fast delivery service. 01-727 0537.
Chole's Air Courier (UK) Ltd.
Fast delivery service. 01-727 0537.

DIRECT MAIL SERVICES

Mailbox Advertising Services Ltd.
Printing and direct mail. 01-404 5464.
Mailbox Advertising Services Ltd.
Printing and direct mail. 01-404 5464.
Mailbox Advertising Services Ltd.
Printing and direct mail. 01-404 5464.

EXECUTIVE AIR CHARTER

Aeroplane Executive Aviation.
Aircraft and helicopters. 01-727 0537.
Aeroplane Executive Aviation.
Aircraft and helicopters. 01-727 0537.
Aeroplane Executive Aviation.
Aircraft and helicopters. 01-727 0537.

FREIGHT FORWARDING & SHIPPING

Anglo Pacific Shipping Ltd.
For East, Australia, etc. 01-960 8201.
Anglo Pacific Shipping Ltd.
For East, Australia, etc. 01-960 8201.
Anglo Pacific Shipping Ltd.
For East, Australia, etc. 01-960 8201.

GARDENING/FLOREST/ LANDSCAPING

Garden Construction Co. Ltd.
The London garden specialists. 047 7622.
Garden Construction Co. Ltd.
The London garden specialists. 047 7622.
Garden Construction Co. Ltd.
The London garden specialists. 047 7622.

MARKETING RESEARCH

BIS Marketing Research Ltd.
Industrial and commercial. 01-533 0866.
BIS Marketing Research Ltd.
Industrial and commercial. 01-533 0866.
BIS Marketing Research Ltd.
Industrial and commercial. 01-533 0866.

MORTGAGE BROKERS & INSURANCE

Chamberlain Michael.
The Out-Temple, Strand, WC2. 01-435 4548.
Chamberlain Michael.
The Out-Temple, Strand, WC2. 01-435 4548.
Chamberlain Michael.
The Out-Temple, Strand, WC2. 01-435 4548.

NEWS DELIVERY SERVICES

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OFFICE EQUIPMENT

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OFFICE REFURBISHMENT

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PHOTOGRAPHY

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PORTABLE BUILDINGS

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PRINTERS—COMMERCIAL

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REMOVALS HOME AND OVERSEAS

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SECURITY SERVICES

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SIGN SERVICES

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TELETYPE & ANSWERING MACHINE SERVICE

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TRANSLATION SERVICES

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DRESSMAKING/TAILORING

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FURNISHINGS

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HOME ENTERTAINMENTS

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INTERIOR & EXTERIOR

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WORD PROCESSING

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JEWELLERY

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KITCHENS & EQUIPMENT

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LIGHTING

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MUSICAL INSTRUMENTS

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ORIENTAL CARPETS & RUGS

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PICTURE FRAMERS

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RECRUITMENT SERVICES

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SHOE MAKERS

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SPECIALISTS SERVICE

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TAILORING & DRESSMAKING

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CHARITABLE & BENEVOLENT ORGANISATIONS

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CONSULTANTS

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DOMESTIC HELP

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FASHION & BEAUTY

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BEAUTY SPECIALISTS

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EXCLUSIVE ACCESSORIES

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EXCLUSIVELY MALE

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FURRIERS

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HAIR & HAIRDRESSING

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HEALTH

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WEDDINGS/BRIDES

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ESTATE AGENTS

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RENTALS

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STUDENT FACILITIES

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MOTORS

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GARAGE SERVICES

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CHAUFFEUR HIRE

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REMOVALS

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HOME & OVERSEAS

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OVERSEAS PROPERTY AGENTS

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EDUCATION

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SPORT & LEISURE

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RIDING WEAR & EQUESTRIAN SERVICES

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SPORTS AND LEISURE WORLD

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SCHOOLS, LANGUAGE SCHOOLS & COURSES

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TUTORIAL

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CONFERENCE FACILITIES & SERVICES

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HOTELS, HOLIDAY ACCOMMODATION

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CHAUFFEUR HIRE

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REMOVALS

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HOME & OVERSEAS

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OVERSEAS PROPERTY AGENTS

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EDUCATION

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SPORT & LEISURE

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